



比亞迪股份有限公司
BYD COMPANY LIMITED

(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1211)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2008**

Turnover	+44%	To RMB12,394 million
Gross profit	+31%	To RMB2,381 million
Profit attributable to equity holders of the Company	-7%	To RMB596 million
Basic earnings per share	-7%	To RMB0.29

HIGHLIGHTS

- Consolidated its leading position in the global rechargeable batteries industry and maintained stable sales
- Recorded 68% growth in sales of handset components and assembly business and strengthened its presence in the industry
- Recorded 71% growth in turnover in automobile business

FINANCIAL RESULTS

The board of directors (the “Board”) of BYD Company Limited (the “Company” or “BYD”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2008 (the “Period”) together with comparative figures for the same period in 2007.

The Board does not recommend the payment of interim dividend for the Period.

**CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2008**

		For the six months ended	
		30 June	30 June
	<i>Notes</i>	2008	2007
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
		<i>RMB'000</i>	<i>RMB'000</i>
REVENUE	5	12,394,140	8,622,007
Cost of sales		<u>(10,013,298)</u>	<u>(6,801,087)</u>
Gross profit		2,380,842	1,820,920
Other income and gains	5	370,512	99,771
Research and development costs		(459,621)	(98,342)
Selling and distribution costs		(446,091)	(318,609)
Administrative expenses		(722,310)	(588,419)
Other expenses		(60,723)	(52,338)
Finance costs	6	<u>(212,512)</u>	<u>(186,520)</u>
PROFIT BEFORE TAX	7	850,097	676,463
Tax	8	<u>(107,369)</u>	<u>(29,812)</u>
PROFIT FOR THE PERIOD		<u>742,728</u>	<u>646,651</u>
Attributable to:			
Equity holders of the Company		595,664	640,996
Minority interests		<u>147,064</u>	<u>5,655</u>
		<u>742,728</u>	<u>646,651</u>
Earnings per share attributable to equity holders of the Company — basic	9	<u>RMB0.29</u>	<u>RMB0.31</u>

CONSOLIDATED BALANCE SHEET
30 JUNE 2008

	<i>Notes</i>	30 June 2008 <i>(Unaudited)</i> RMB'000	31 December 2007 <i>(Audited)</i> RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		13,255,403	10,341,577
Investment properties		2,014	2,043
Prepaid land lease payments		1,391,598	1,448,294
Goodwill		74,930	58,603
Other intangible assets		636,763	586,181
Non-current prepayment		385,724	386,587
Deferred tax assets		<u>200,034</u>	<u>165,221</u>
Total non-current assets		<u>15,946,466</u>	<u>12,988,506</u>
CURRENT ASSETS			
Inventories	10	6,027,410	4,548,545
Trade and bills receivables	11	3,600,578	5,432,577
Factored trade receivables	12	320,617	—
Prepayments, deposits and other receivables		1,202,890	675,003
Financial asset at fair value through profit or loss		100,457	—
Derivative financial instruments		23,338	60,913
Restricted bank deposits		85,099	43,446
Cash and cash equivalents		<u>3,956,289</u>	<u>5,539,501</u>
Total current assets		<u>15,316,678</u>	<u>16,299,985</u>
CURRENT LIABILITIES			
Trade and bills payables	13	5,254,879	5,715,394
Bank advances on factored trade receivables	12	320,617	—
Other payables and accruals		1,752,499	1,374,210
Advances from customers		1,064,543	969,985
Deferred income		788,926	425,593
Derivative financial instruments		18,581	42,725
Interest-bearing bank borrowings	14	7,011,625	6,828,843
Deferred tax liabilities		2,119	2,215
Tax payable		190,152	178,879
Provision		<u>66,668</u>	<u>45,545</u>
Total current liabilities		<u>16,470,609</u>	<u>15,583,389</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>(1,153,931)</u>	<u>716,596</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>14,792,535</u>	<u>13,705,102</u>

	<i>Notes</i>	30 June 2008 <i>(Unaudited)</i> <i>RMB'000</i>	31 December 2007 <i>(Audited)</i> <i>RMB'000</i>
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	14	<u>1,836,174</u>	<u>1,294,843</u>
Net assets		<u><u>12,956,361</u></u>	<u><u>12,410,259</u></u>
EQUITY			
Equity attributable to equity holders of the Company			
Issued capital	15	2,050,100	539,500
Reserves		8,863,489	9,467,268
Proposed dividends		<u>—</u>	<u>701,350</u>
		10,913,589	10,708,118
Minority interests		<u>2,042,772</u>	<u>1,702,141</u>
Total equity		<u><u>12,956,361</u></u>	<u><u>12,410,259</u></u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2008

	Issued capital	Share premium account	Capital reserve	Statutory surplus reserve fund	Statutory welfare fund	Exchange fluctuation reserve	Retained profit	Proposed final dividends	Total	Minority interests	Total equity
	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000
At 1 January 2007	539,500	1,523,080	362	295,487	85,956	957	2,631,322	215,800	5,292,464	75,177	5,367,641
Profit for the period	—	—	—	—	—	—	640,996	—	640,996	5,655	646,651
Final 2006 dividends	—	—	—	—	—	—	—	(215,800)	(215,800)	—	(215,800)
Equity-settled share expenses	—	—	14,250	—	—	—	—	—	14,250	81,060	95,310
Dividends paid to minority interests	—	—	—	—	—	—	—	—	—	(4,400)	(4,400)
Exchange realignment	—	—	—	—	—	(99)	—	—	(99)	—	(99)
At 30 June 2007	<u>539,500</u>	<u>1,523,080</u>	<u>14,612</u>	<u>295,487</u>	<u>85,956</u>	<u>858</u>	<u>3,272,318</u>	<u>—</u>	<u>5,731,811</u>	<u>157,492</u>	<u>5,889,303</u>
At 1 January 2008	539,500	1,523,080	4,020,266	357,747	102,631	796	3,462,748	701,350	10,708,118	1,702,141	12,410,259
Profit for the period	—	—	—	—	—	—	595,664	—	595,664	147,064	742,728
Capitalisation of reserve	1,510,600	(1,510,600)	—	—	—	—	—	—	—	—	—
Disposal to minority interests	—	—	351,676	—	—	—	—	—	351,676	349,326	701,002
Acquisition from minority interests	—	—	—	—	—	—	—	—	—	(4,117)	(4,117)
Final 2007 dividends	—	—	—	—	—	—	—	(701,350)	(701,350)	—	(701,350)
Dividends paid to minority interests	—	—	—	—	—	—	—	—	—	(151,642)	(151,642)
Exchange realignment	—	—	—	—	—	(40,519)	—	—	(40,519)	—	(40,519)
At 30 June 2008	<u>2,050,100</u>	<u>12,480*</u>	<u>4,371,942*</u>	<u>357,747*</u>	<u>102,631*</u>	<u>(39,723)*</u>	<u>4,058,412*</u>	<u>—*</u>	<u>10,913,589</u>	<u>2,042,772</u>	<u>12,956,361</u>

* These reserve accounts comprise the consolidated reserves of RMB8,863,489,000 in the consolidated balance sheet as at 30 June 2008.

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2008**

	For the six months ended 30 June	
	2008	2007
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>
NET CASH INFLOW FROM OPERATING ACTIVITIES	1,422,994	292,585
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(3,572,602)	(1,997,668)
NET CASH INFLOW FROM FINANCING ACTIVITIES	<u>568,006</u>	<u>822,779</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,581,602)	(882,304)
Cash and cash equivalents at beginning of period	5,539,501	1,617,312
Effect of foreign exchange rate changes, net	<u>(1,610)</u>	<u>(99)</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>3,956,289</u></u>	<u><u>734,909</u></u>
Analysis of balances of cash and cash equivalents		
Cash and bank balances	3,607,919	727,513
Non-pledged time deposits with original maturity of less than three months when acquired	<u>348,370</u>	<u>7,396</u>
	<u><u>3,956,289</u></u>	<u><u>734,909</u></u>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2008

1. CORPORATE INFORMATION

BYD Company Limited is a joint stock limited liability company (the “Company”) registered in the People’s Republic of China (the “PRC”). The Company’s H shares have been listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 31 July 2002.

The principal activities of the Group are the research, development, manufacture and sale of rechargeable batteries, automobiles and related products, handset components, assembly services, LCD and other electronic products.

2. BASIS OF PREPARATION

Despite the Group’s net current liabilities of approximately RMB1,153,931,000 as at 30 June 2008, the interim condensed consolidated financial statements have been prepared on the going concern basis on the basis of the directors’ contention that the Group will be able to generate sufficient net cash inflows and new funding in the future to meet all its obligation when they fall due and will also be able to secure the financial support of its bankers, including the continued ongoing renewal, upon the due date, of the Group’s short term bank loan from its bankers.

Should the Group be unable to continue as a going concern, adjustments would have to be made to restate the values of assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify its non-current assets and liabilities as current liabilities, respectively. The effects of these potential adjustments have not been reflected in the interim condensed consolidated financial statements.

3. SUMMARY OF MAJOR ACCOUNTING POLICIES

The interim condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants.

The accounting policies and methods of computation used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2007.

The Group has adopted the following standards that have been issued and effective for the periods beginning on or after 1 January 2008. The adoption of such standards did not have material effect on these financial statements.

HK (IFRIC) — Int 11	HKFRS2 — Group and Treasury Share Transactions
HK (IFRIC) — Int 12	Service Concession Arrangements
HK (IFRIC) — Int 14	HKAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

4. SEGMENT INFORMATION

Segment information is presented by way of two Segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

(a) Business segments

The Group is principally engaged in the following three main business segments:

- (i) Battery and related products — manufacture and sales of rechargeable batteries principally for mobile phones, emergency lights and other battery related products;
- (ii) Handset components and assembly services — manufacture and sales of LCD, handset components and assembly services; and
- (iii) Automobile and related products — manufacture and sales of automobiles, auto-related moulds and components.

The following tables present revenue and profit for the Group's business segments for the six months ended 30 June 2008 and 2007:

	For the six months ended 30 June 2008			
	Battery and related products (Unaudited) RMB'000	Handset components and assembly services (Unaudited) RMB'000	Automobile and related products (Unaudited) RMB'000	Total (Unaudited) RMB'000
Revenue	<u>3,263,737</u>	<u>5,320,807</u>	<u>3,809,596</u>	<u>12,394,140</u>
Segment results	<u>336,861</u>	<u>364,724</u>	<u>361,024</u>	1,062,609
Finance costs				<u>(212,512)</u>
Profit before tax				850,097
Tax				<u>(107,369)</u>
Profit for the period				<u>742,728</u>

For the six months ended 30 June 2007

	Battery and related products <i>(Unaudited)</i> <i>RMB'000</i>	Handset components and assembly services <i>(Unaudited)</i> <i>RMB'000</i>	Automobile and related products <i>(Unaudited)</i> <i>RMB'000</i>	Total <i>(Unaudited)</i> <i>RMB'000</i>
Revenue	<u>3,219,308</u>	<u>3,168,451</u>	<u>2,234,248</u>	<u>8,622,007</u>
Segment results	<u>228,566</u>	<u>385,604</u>	<u>248,813</u>	862,983
Finance costs				<u>(186,520)</u>
Profit before tax				676,463
Tax				<u>(29,812)</u>
Profit for the period				<u>646,651</u>

(b) Geographical segments

The following table presents revenue for the Group's geographical segments for the six months ended 30 June 2008 and 2007:

	For the six months ended 30 June 2008 <i>(Unaudited)</i> <i>RMB'000</i>	30 June 2007 <i>(Unaudited)</i> <i>RMB'000</i>
Revenue		
PRC	8,609,945	6,036,960
Europe	1,024,103	747,901
US	705,017	627,011
India	393,512	301,352
Asia (Other than PRC and India)	1,585,715	854,416
Others	<u>75,848</u>	<u>54,367</u>
	<u>12,394,140</u>	<u>8,622,007</u>

5. REVENUE, OTHER INCOME AND GAINS

Revenue

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts; the value of assembly services rendered and an appropriate proportion of contract revenue of construction contracts during the period.

	For the six months ended	
	30 June 2008	30 June 2007
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Sales of goods	10,784,232	8,445,306
Assembly service income	1,595,905	168,338
Construction contracts	<u>14,003</u>	<u>8,363</u>
	<u>12,394,140</u>	<u>8,622,007</u>

Other income and gains

	For the six months ended	
	30 June 2008	30 June 2007
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Bank interest income	61,484	10,192
Sales of scrap materials	78,777	71,213
Government grants and subsidies	136,483	—
Foreign exchange gain, net	46,175	—
Fair value gain		
— forward contracts: transactions not qualifying as hedges	1,943	—
Others	<u>45,650</u>	<u>18,366</u>
	<u>370,512</u>	<u>99,771</u>

6. FINANCE COSTS

	For the six months ended	
	30 June 2008	30 June 2007
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Interest on bank borrowings and bank advances, wholly repayable within five years	238,459	181,568
Interest on discounted notes	<u>18,138</u>	<u>6,056</u>
Total interest expense on financial liabilities not at fair value through profit or loss	256,597	187,624
Less: Interest capitalised	<u>(44,085)</u>	<u>(1,104)</u>
	<u><u>212,512</u></u>	<u><u>186,520</u></u>

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	For the six months ended	
	30 June 2008	30 June 2007
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Cost of inventories sold	7,538,557	6,015,526
Cost of services provided	1,528,828	178,286
Fair value loss/(gain):		
— forward contracts: transactions not qualifying as hedges	(1,943)	7,983
Depreciation	481,195	373,290
Amortisation of other intangible assets	33,181	14,640
Impairment of fixed assets*	2,420	13,496
Impairment of goodwill*	11,943	—
Impairment of trade receivables *	22,540	41,966
Provision against obsolete inventories **	89,879	63,825
Equity-settled share expense	—	95,310
Loss on disposal of items of property, plant and equipment*	<u><u>10,501</u></u>	<u><u>2,709</u></u>

* The impairment of goodwill, impairment of trade receivables, impairment of fixed assets and loss on disposal of items of property, plant and equipment for the period are included in "Other expenses" on the face of the consolidated income statement.

** The provision against obsolete inventories for the period is included in "Cost of sales" on the face of the consolidated income statement.

8. TAX

	For the six months ended	
	30 June 2008	30 June 2007
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Current - Mainland China	142,182	34,876
Deferred	<u>(34,813)</u>	<u>(5,064)</u>
Total tax charge for the period	<u>107,369</u>	<u>29,812</u>

The Company and its subsidiaries registered in the PRC are subject to Corporate Income Tax. On 16 March 2007, the National People's Congress approved the Corporate Income Tax Law of the PRC (the "New CIT Law"), which is effective from 1 January 2008. Under the New CIT Law, the corporate income tax rate applicable to domestic-invested and foreign-invested enterprises from 1 January 2008 will decrease from 33% to 25%. Pursuant to the transitional arrangement under the New CIT Law, the income tax rate applicable to certain PRC subsidiaries will only be gradually increased from the existing rate of 18% to the unified rate of 25% over 5-year transition period.

Furthermore, the Company and certain of its subsidiaries are also entitled to full exemption from CIT for the first two years and 50% reduction in CIT for the next three years.

No provision for profits tax in Hong Kong, United States of America, Japan, Denmark, India, Hungary, Romania and Finland have been made for the periods as the Group did not generate any assessable profits in these countries during the periods.

9. EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The calculation of the earnings per share are based on the profit for the period attributable to ordinary equity holders of the Company and the weighted average number of shares in issue during the period, as adjusted to reflect the bonus issue during the period.

	For the six months ended	
	30 June 2008	30 June 2007
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Earnings		
Profit attributable to equity holders of the Company, as in the basic earnings per share calculation	<u>595,664</u>	<u>640,996</u>

	Numbers of shares	
	30 June 2008	30 June 2007
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Shares		
Weighted average number of shares in issue during the period in the basic earnings per share calculation, as adjusted to reflect the bonus share issue during the period	<u>2,050,100,000</u>	<u>2,050,100,000</u>

No diluted earnings per share amount has been presented for the period as no diluting events existed during these periods.

10. INVENTORIES

	30 June 2008	31 December 2007
	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Raw materials	2,974,206	1,887,660
Work-in-progress	1,191,845	836,495
Finished goods	1,776,435	1,714,066
Mould held for production	<u>84,924</u>	<u>110,324</u>
	<u>6,027,410</u>	<u>4,548,545</u>

11. TRADE AND BILLS RECEIVABLES

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one month, extending up to three months. The aged analysis of the trade and bills receivables as at 30 June 2008 and 31 December 2007, based on invoice date and net of provisions, are as follows:

	30 June 2008	31 December 2007
	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Within 3 months	3,329,024	5,105,216
3 to 6 months	249,279	310,387
6 months to 1 year	19,513	10,600
Over 1 year	<u>2,762</u>	<u>6,374</u>
	<u>3,600,578</u>	<u>5,432,577</u>

The directors are of the opinion that the carrying amounts of trade and bills receivables approximate to their fair values.

12. FACTORED TRADE RECEIVABLES

At 30 June 2008, the Group factored trade receivables of RMB320,617,000 to banks on a recourse basis for cash. As the Group still retain the risks and rewards associated with the payment by the customers, the financial asset derecognition condition as stipulated in HKAS 39 has not been fulfilled. Accordingly, bank advances from the factoring of the Group's trade receivables have been accounted for as liabilities in the consolidated balance sheets.

13. TRADE AND BILLS PAYABLES

The aged analysis of the trade and bills payables as at balance sheet date, based on invoice date, is as follows:

	30 June 2008 <i>(Unaudited)</i> <i>RMB'000</i>	31 December 2007 <i>(Audited)</i> <i>RMB'000</i>
Within 3 months	4,336,636	4,781,248
3 to 6 months	791,854	786,254
6 months to 1 year	99,473	94,405
Over 1 years	<u>26,916</u>	<u>53,487</u>
	<u><u>5,254,879</u></u>	<u><u>5,715,394</u></u>

14. INTEREST-BEARING BANK BORROWINGS

	30 June 2008			31 December 2007		
	Effective interest rate (%)	Maturity	RMB'000 <i>(Unaudited)</i>	Effective interest rate (%)	Maturity	RMB'000 <i>(Audited)</i>
Current						
Bank loans - secured	5.58-6.09	2009	1,525,467	5.14-6.19	2008	642,809
Bank loans - unsecured	4.21-8.08	2009	4,172,478	5.14-6.48	2007	5,021,349
Current portion of long term bank loans - unsecured	4.59-6.48	2009	<u>1,313,680</u>	4.59-6.48	2007	<u>1,164,685</u>
			<u>7,011,625</u>			<u>6,828,843</u>
Non-current						
Bank loans - unsecured	3.60-7.83	2009-2011	<u>1,836,174</u>	3.60-6.48	2008-2011	<u>1,294,843</u>
			<u><u>8,847,799</u></u>			<u><u>8,123,686</u></u>

	30 June 2008	31 Decmeber 2007
	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Analysed into:		
Bank loans repayable:		
Within one year	7,011,625	6,828,843
In the second year	113,087	300,000
In the third to fifth years, inclusive	<u>1,723,087</u>	<u>994,843</u>
	<u><u>8,847,799</u></u>	<u><u>8,123,686</u></u>

15. SHARE CAPITAL

In the shareholders meeting held on 20 March 2008, the shareholders of the Company approved the increase of the registered capital of the Company by capitalising the capital reserve, pursuant to which bonus issue was allotted and issued to the shareholders of the Company on the basis of 28 bonus shares for every 10 shares held by the shareholders of the Company on 20 March 2008 and the registered capital was increased from 539,500,000 to 2,050,100,000 of RMB1 per share.

16. BUSINESS COMBINATION

On 1 February 2008, BYD Hungary Guarto, Szolgaltato es Koreskedelmi Korlatolt Felelossegu Tarsasag (“BYD Hungary”), an indirectly owned subsidiary of the Company, entered into a sale and purchase agreement (the “Sale and Purchase Agreement”) with Mirae Industry Co. Ltd. (“Mirae Industry”) for acquisition of the 100% equity interests of Mirae Hungary Industrial Manufacturer Ltd. (“Mirae Hungary”), a wholly owned subsidiary of Mirae Industry, at a consideration of EUR2,960,000 (equivalent to approximately RMB32,000,000). In addition, BYD Hungary has agreed to pay a certain sum for the settlement of the liabilities of Mirae Hungary as at 31 October 2007. The completion of the share transfer was dated on 12 February 2008 at a total consideration of EUR15,500,000 (equivalent to approximately RMB167,000,000) and the corresponding carrying amounts of net assets immediately before the acquisition were amounted to RMB151,000,000. Goodwill of RMB16,000,000 was generated from the acquisition.

17. CONTINGENT LIABILITIES

In June 2007, a High Court of the Hong Kong Special Administrative Region (the “Court”) action (the “June 2007 Action”) was commenced by a subsidiary and an affiliate of Foxconn International Holdings Limited (the “Plaintiffs”) against the Company and certain subsidiaries of the Group (the “Defendants”) for allegations in connection with the use of confidential information alleged to have been obtained improperly from the Plaintiffs. The Plaintiffs alleged that the Defendants have directly or indirectly through the assistance of certain employees of the Plaintiffs, induced and procured certain former employees of the Plaintiffs (some of whom were subsequently employed by the Group) to breach their contractual and fiduciary duties with their former employer, the Plaintiffs, by disclosing to the Defendants confidential information that

such employees have acquired through their employment with the Plaintiffs. In addition, it was alleged that the Defendants knew or ought to have known the confidential nature of such information and that the Defendants allowed or acquiesced in its misuse in establishing a handset production system that is highly similar to the Plaintiffs' handset production system and using the Plaintiffs' confidential information with respect to their suppliers and customers. The Plaintiffs discontinued the June 2007 Action on 5 October 2007 with the effect that the June 2007 Action has been wholly discontinued against all the Defendants named in the action and that this finally disposed of the June 2007 action without any liability to the Defendants. On the same day, the Plaintiffs initiated a new set of legal proceedings in the Court (the "October 2007 Action"). The defendants named in the October 2007 Action are the same as the Defendants in the June 2007 Action, and the claims made by the Plaintiffs in the October 2007 Action are based on the same facts and the same allegations arising in the June 2007 Action. In essence, the Plaintiffs alleged that the Defendants have misappropriated and misused confidential information belonging to the Plaintiffs. The remedies sought by the Plaintiffs in the October 2007 Action include an injunction restraining the Defendants from using the alleged confidential information, an order for the disgorgement of profit made by the Defendants through the use of the confidential information, damages based on the loss suffered by the Plaintiffs and exemplary damages. The Plaintiffs have quantified part of their claim for damages, consisting of the estimated cost of producing the alleged confidential information of RMB2,907,000 and an amount of RMB3,600,000 which allegedly represents compensation paid by the Plaintiffs to other parties to whom they owed a duty to keep the alleged confidential information confidential. The damages otherwise sought by the Plaintiffs in the October 2007 Action have not been quantified.

Regarding the October 2007 Action, the Company has given an indemnity in favour of other Defendants of the Group for all liabilities, losses, damages, costs and expenses (if any) incurred arising out of or in connection with the October 2007 Action. The indemnity given by the Company to the indemnified parties will not cover loss of future profit and revenue as well as any obligation, such as ceasing to use certain information, on the part of the indemnified parties to comply with any injunction order or any court order to deliver up documents. As at the date of this announcement, the service of writs on all of the Defendants have been duly acknowledged.

On 2 November 2007, the Company and BYD (H.K.) Co. Limited, ("BYD HK"), the Defendants which had been served with the writ at that time, applied for a stay of the legal proceedings. The hearing of the stay application took place on 11 and 12 June 2008 and the judgement in respect of the stay application was handed down on 27 June 2008. The stay application was dismissed and an order was also made that costs of the stay application be to the Plaintiffs, to be assessed by the Court, if not agreed.

Based on the legal opinions issued by the Group's litigation legal counsels, the ultimate outcome of the litigation is not yet determinable given the early stage of the proceedings. Accordingly no liability accrual has been recorded by the Company.

18. OPERATING LEASE ARRANGEMENTS

At 30 June 2008, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	30 June 2008 <i>(Unaudited)</i> <i>RMB'000</i>	31 December 2007 <i>(Audited)</i> <i>RMB'000</i>
Within one year	11,905	5,576
In the second to fifth years, inclusive	<u>12,018</u>	<u>2,656</u>
	<u>23,923</u>	<u>8,232</u>

19. COMMITMENTS

In addition to the operating lease commitments detailed in note 18 above, the Group had the following capital commitments:

	30 June 2008 <i>(Unaudited)</i> <i>RMB'000</i>	31 December 2007 <i>(Audited)</i> <i>RMB'000</i>
Contracted but not provided for		
Buildings	587,154	702,227
Plant and machinery	<u>807,454</u>	<u>1,254,223</u>
	1,394,608	1,956,450
Authorised, but not contracted for:		
Land and buildings	<u>—</u>	<u>129,372</u>
	<u>1,394,608</u>	<u>2,085,822</u>

20. RELATED PARTY TRANSACTIONS

(a) The Group did not carry out any material related party transactions during the period.

(b) Compensation of key management personnel of the Group:

	For the six months ended 30 June 2008 <i>(Unaudited)</i> <i>RMB'000</i>	30 June 2007 <i>(Unaudited)</i> <i>RMB'000</i>
Short term employee benefits	<u>2,493</u>	<u>1,713</u>

21. POST BALANCE SHEET EVENTS

Re-purchase of subsidiaries shares

During the period, BYD Electronic (International) Company Limited (“BYD Electronic”), a wholly owned subsidiary of the Company, repurchased and cancelled its own ordinary shares on the Stock Exchange as follows:

Month/Year	Number of shares repurchased	Highest price paid per share <i>HK\$</i>	Lowest price paid per share <i>HK\$</i>	Aggregate consideration paid <i>HK\$'000</i>
July 2008	18,237,000	4.40	3.92	75,830

The repurchased shares were cancelled and accordingly the issued share capital of the BYD Electronic would be reduced by the nominal value of these shares. Pursuant to Section 49H of the Hong Kong Companies Ordinance, an amount equivalent to the par value of the shares cancelled of approximately HK\$1,824,000 would be transferred from revenue reserve to the capital redemption reserve. The premium paid and the expenses incurred on the repurchase of the shares would be charged to revenue reserve.

22. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified and restated to conform with the current period presentation and accounting treatment.

MANAGEMENT DISCUSSIONS AND ANALYSIS

Operating Environment Review

During the Period, the global economy experienced hardship brought by high energy prices, global inflation, US subprime mortgage crisis and persistent appreciation of Renminbi. It dampened consumers' confidence and slowed down the growth of the handset industry. As the market was more sensitive to handset price, the handset component manufacturers at upper stream of the supply chain faced higher pressure as they try to maintain market competitiveness. Despite the steady growth in the overall global handset sales, the growth was slowed down. The handset market recorded an output of approximately 598 million units, up approximately 13% from approximately 528 million units in the same period last year, with the average unit selling price falling. Domestic handset manufacturers encountered greater difficulties in their operations with the decreasing demand for handsets in China in the first half of the year.

Changes in global economy and handset market facilitated consolidation of the handset industry. To enhance market competitiveness and expand market share, international leading handset brands strictly controlled production cost by relocating their production, procurement and logistics bases to countries and regions with advantage of effective cost control. In addition, they tended to outsource their production process by selecting suppliers with high capabilities of vertical integration as well as global manufacturing and service platforms as partners in order to lower production costs and enhance price competitiveness.

In the automobile market, the desire for consumption in the PRC was affected by macro economic measures and natural disasters including the snow storm and Sichuan earthquake, which set the domestic automobile market back to a steady growth pace in terms of production and sales in the first half of 2008 after years of rapid growth. Aggregate production and sales volume of the automobile market in China reached approximately 5.2 million units and approximately 5.18 million units respectively, representing a year-on-year increase of approximately 16.7% and approximately 18.5% respectively, both lower than the level of the corresponding period last year. Of which, sales of sedans exceeded approximately 2.66 million units, representing a year-on-year growth of approximately 16.7%. Domestic brands accounted for over approximately 25% of total sales volume of sedans and continued to occupy a significant position in the market.

Business Review

The two principal businesses of BYD comprise the IT component business and the automobile business. The IT component business mainly comprises the rechargeable battery business and the handset component and assembly business. During the Period, the Group's rechargeable battery business and the handset component and assembly business both recorded growth in the slackening handset market. During the Period, the automobile business continued to achieve good performance and brought about encouraging income and profit contributions to the Group.

IT Parts — Rechargeable Batteries

During the Period, BYD continued to maintain and strengthen its leading position in the global rechargeable battery market and maintained steady growth. For the Period, sales of rechargeable batteries amounted to approximately RMB3,264 million, representing a year-on-year increase of approximately 1.4%. Sales of lithium-ion battery products maintained satisfactory growth, with sales of approximately RMB2,138 million, representing a year-on-year increase of approximately 27%. Suffering from slowdown of the global macro economy and power tools market, the sales of nickel battery products business went down to approximately RMB1,097 million, representing a year-on-year decrease of approximately 15%.

Leveraging the Group's consistent supply of quality products and cost-effective competitive strengths, the Group's lithium-ion battery business successfully established its global leading position. Facing the consolidation of the global handset industry, the Group strengthened its strategic partnership with leading global handset manufacturers, substantially increasing its shipment. It also established relationship with other leading international handset manufacturers, resulting in a rapid output increase, thereby further expanded the Group's market share. During the Period, the Group actively expanded its customer base, in particular, the establishment of business relationship with emerging international handset suppliers. Scalable production capacity, quality products and competitive prices of the Group had fully satisfied the market demands for lithium-ion batteries. During the Period, the global handset market recorded steady output increase enhanced the growth of sales of lithium-ion battery products, which was partly derived from the customers' urgent orders.

During the Period, weak demand for power tools in the US market suffering from the external economic environment impacted by a slackening global economic growth and a persistent rise of energy prices and raw material prices, resulted in a slight decrease in sales of the Group's nickel battery products. Nevertheless, as a leading global manufacturer of high-quality nickel batteries, the Group possessed strong pricing power and managed to maintain the gross profit margin despite the decrease in sales. On the other hand, the Group optimized its cost structure during the Period to partially offset the adverse impact brought about by high raw material prices on profits, and continued to enhance its competitiveness and further consolidated its leading position in the market.

IT Parts — Handset Components and Assembly Services

For the handset components and assembly services business, BYD adopted a strategy of providing one-stop vertically integrated supply services to customers. Apart from providing diversified handset components to reputable international handset brands, BYD also provided handset assembly services to customers, to enhance the vertically integrated production processes and establish the market position of the Group as a “one-stop handset components supplier” of reputable international handset brands. During the Period, the Group's handset components and assembly services business recorded sales of approximately RMB5,321 million, representing a year-on-year increase of approximately 68%.

During the Period, the sales of BYD Electronic (International) Company Limited (“BYD Electronic”) amounted to approximately RMB3,638 million (including its sales to the Group), representing a year-on-year increase of approximately 96%. The major business of BYD Electronic included the manufacture and sales of handset components (including handset casings and keypads) and modules incorporated with mechanical components such as handset casing, microphones, connectors and other handset assembly parts, and the provision of two types of assembly services, including high-level assembly services and printed circuit board (PCB) assembly services.

Apart from the handset components and assembly services undertaken by BYD Electronic, the Group's handset component business also included production of LCD screens, flexible printed circuit board and handset camera module. During the Period, sales of non-BYD Electronic handset components increased by approximately 30% as compared to the corresponding period of last year, mainly due to the Group's expansion of charger products to become one of the largest suppliers of some international handset brands, as well as the growth of sales in all products.

Automobile Business

For the Period, the turnover of the automobile business was approximately RMB3,810 million, representing a year-on-year increase of approximately 71%. Automobile sales volume amounted to approximately 72,357 units, a year-on-year increase of approximately 94%. With continuous overwhelming sales of F3 model in the market, it recorded a sales volume of 67,716 units, a year-on-year increase of approximately 88%, while the new F6 model launched during the period recorded a sales volume of approximately 4,375 units. After nearly three years of efforts, BYD Automobile continued to strengthen product research and development to satisfy market needs, and implemented effective marketing strategies, further enhanced its market image and position in the automobile industry, expanded its production capacity to benefit from economies of scale, thereby enabling the Group's automobile business to perform well despite the slackening industry growth.

During the Period, the Group's automobile business posted satisfactory performance in the aspects of marketing strategy and product research and development. At the end of March 2008, the long awaited F6 model, being BYD's first medium to high end commercial sedan, was launched nationwide. The new F6 series, targeting at the medium to high end markets, offered two types of displacements, 2.0L and 2.4L, with manual or automatic transmission gear system at the choice of consumers. Moreover, following the launch of the F3R model, an upgraded version of the F3 model, the Group further strengthen its product portfolio. As for sales points, the Group actively expanded its sales and marketing network, increased the number of sales agents and improved the quality of sales agents, thereby increasing the sales and marketing efforts of various series. The Group's best selling F3 model successfully won the top sales ranking in a number of well developed cities including Shenzhen and Chongqing.

The construction of the Group's new automobile production base in Pingshan, Shenzhen, mainly for manufacturing F6 and F0 models, has been completed during the period. The new base is expected to effectively enhance the Group's automobile research and development and production capabilities, the Group will in turn benefit from the economies of scale to offset the cost pressure brought about by the persistent increase in raw material prices (particularly those of steel), and support the fast growth of the Group's automobile business in the future.

The Group is dedicated in the research, development and manufacturing of the Dual Mode (DM) vehicle, incorporating the research, development and manufacturing advantages of the two core business aspects, namely the batteries and automobile businesses. The upcoming F3DM model combines BYD's advanced rechargeable battery technology, excellent automobile core components development capability and outstanding car development technology, a classic for energy saving, environmental protection, modern and technology.

Future Prospects and Strategies

IT Parts — Rechargeable Batteries

Looking forward, riding on its leadership in the global rechargeable battery market, the Group shall persist in supplying products of excellent quality at the midst of steady growth and continuing consolidation in the global handset industry. The Group will continue to strengthen strategic partnership with manufacturers of famous international handset brands, in particular, to actively explore new customers while striving to secure more orders from existing customers to expand its market share. As for product development, the Group aims to increase the application of battery products and enhance cost control, and to capture the market opportunity of increasing demand by implementing competitive pricing strategies.

IT Parts — Handset Components and Assembly Services

The handset components and assembly services business is still facing different challenges, including price reduction pressure from market, Renminbi appreciation and high cost of raw materials. To achieve the same pace of market growth, apart from the supply of new models to customers in the second half year, the Group will strive to optimize cost structure and reduce the cost in every stage of the production cycle, as well as to improve cost-effectiveness by strengthening the internally developed production equipment and production lines. Meanwhile, the Group is expected to benefit from the economy of scale, which will increase the Group's bargaining power to the raw material suppliers, thereby further reduce the product cost. The Group's development strategies and objectives are to develop and maintain an integrated global platform for production and services, so as to improve its market position amid the changing and challenging economic climate, to develop its existing technical capability, process and core technology, with the aim of becoming a leading global supplier of handset components and assembly services.

Automobile Business

With the overall consumer confidence affected by the natural disaster, the tightening macro economy, the high prices of oil and raw materials, the domestic automobile industry remains grim in the second half year. However, leveraging its competitive advantages and high value for money, the Group will benefit from the optimization of the production lines of its automobile industry to seize market share in such severe situation. Being launched in the first half year, sales of the medium to high end F6 model is expected to drive the rapid growth of the Group's automobile business in the second half year. Targeting market of low displacement vehicles, the Group will launch the economic F0 model in the third quarter of 2008, to provide consumers with various choices of higher value for money vehicles. With the completion of the new bases for automobile research and development and production in Pingshan, Shenzhen, the Group is enabled to benefit from the economy of scale and increase its competitiveness and profitability in the slackening industry. BYD will continue to pursue a development path of "self-research and development, self-production and self-owned brands", launch diversified quality products with competitiveness, and focus on strengthening brand awareness and reputation, aiming to become one of the leaders in the automobile market of China. BYD will speed up the marketization process of the Dual Mode vehicle and make great efforts in entering the electric vehicle era.

Proposed Issue of A Shares

The Company issued an announcement on 28 January 2008 for amongst others, the proposal of issue and allotment of not more than 58,500,000 A Shares (taking no account of the issue of the Bonus Shares ("Bonus Issue")) or not more than 222,300,000 A Shares (on the basis that the Bonus Issue is completed and a total of 1,510,600,000 Bonus Shares are issued), subject to the approval by the relevant regulatory authorities. The proposed issue of A shares has been approved by the Shareholders at the extraordinary general meeting, domestic shares class meeting and the H shares class meeting of the Company held on 20 March 2008. The Group considers that the issue of A Shares will establish a new financing platform for BYD, thereby strengthening its business development and further enhancing its competitiveness. Currently, the Group is prudently implementing the A Shares issue plan. The proceeds will be applied in the Group's IT parts and automobile businesses.

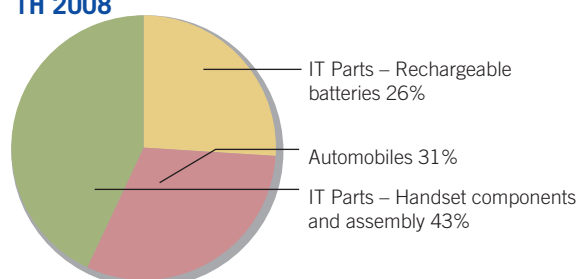
Financial Review

Turnover increased during the period mainly due to the satisfactory growth brought by the rechargeable battery business, handset component and assembly business and automobile business.

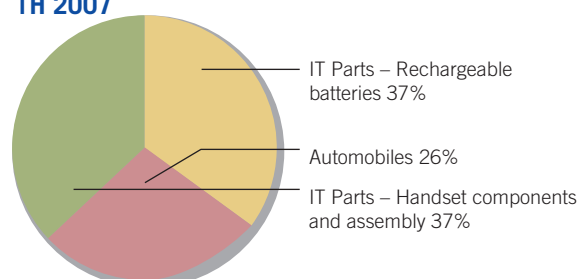
Segmental Information

The table below sets out comparisons of the Group's turnover by product category for the six months ended 30 June 2007 and 2008:

1H 2008



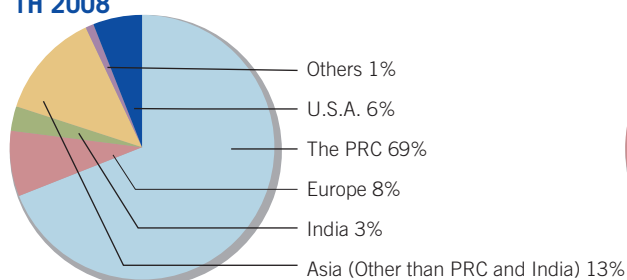
1H 2007



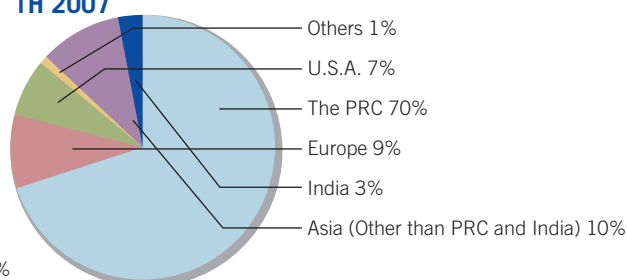
During the period, the proportion of the three major businesses to the overall turnover was more or less the same when compared with the corresponding period of the previous year. Due to the faster growth in the handset components and assembly business and automobile business, the proportion of these two businesses to the overall turnover also increased.

The table below sets out comparisons of the Group's geographical segments by customer locations for the six months ended 30 June 2007 and 2008:

1H 2008



1H 2007



Gross Profit and Margin

The Group's gross profit increased by approximately 31% to approximately RMB2,381 million for the Period. Gross profit margin decreased from approximately 21% in the first half of 2007 to approximately 19% in the first half of 2008. Decrease in gross profit margin was mainly due to (1) the significant increase in the proportion of revenue generated from assembly services of the Company with lower gross profit margins in the overall revenue for the Period; (2) reduced gross profit margins of the handset components business resulting from unfavourable factors such as difficult operating environment of the industry coupled with high price of raw materials and appreciation of RMB.

Liquidity and Financial Resources

BYD generated operating cash inflows of approximately RMB1,423 million for the Period, compared with approximately RMB293 million for the same period in 2007. Total borrowings as at 30 June 2008, including all bank loans and bank advances, were approximately RMB9,168 million, compared with approximately RMB8,124 million as at 31 December 2007. The maturity profile spread over a period of five years, with approximately RMB7,332 million repayable within one year, approximately RMB113 million in the second year and approximately RMB1,723 million within three to five years. The increase in total borrowings was due to the increase of the number of new projects, research and development expenses and production capacity. The Group maintained adequate daily liquidity management and capital funding expenditure requirements to regulate internal operating cashflow.

The turnover days of accounts receivables were about 68 days for the six months ended 30 June 2008 as compared to approximately 62 days for the six months ended 30 June 2007. Inventory turnover days increased from approximately 92 days for the six months ended 30 June 2007 to approximately 95 days for the six months ended 30 June 2008.

Capital Structure

The Group's treasury department is responsible for the Group's financial risk management which operates according to policies implemented and approved by the senior management. As at 30 June 2008, borrowings were primarily denominated in RMB and USD, while cash and cash equivalents were primarily denominated in RMB and Euro. The Group's intentions to maintain an appropriate mix of financial equity and debt were to ensure an efficient capital structure during the period. The loans

outstanding as at 30 June 2008 were set out in the face of the consolidated accounts. The loans outstanding as at 30 June 2008 were at fixed interest rates or floating interest rates for RMB loans and floating interest rates for foreign currency loans.

Exposure to Foreign Exchange Risk

Most of the Group's incomes and expenditures are denominated in RMB and USD. During the Period, the Group did not experience any significant difficulties in its operations or liquidity due to fluctuations in currency exchange rates. The directors believe that the Group has sufficient foreign exchange to meet its own foreign exchange requirements and will adopt applicable measures to prevent exposure to exchange rate risk.

Employment, Training and Development

As at 30 June 2008, the Group had over 120,000 employees, an increase of approximately 5,000 employees compared with that as at 31 December 2007. During the period, total staff cost accounted for approximately 13% of the Group's turnover. Employees remuneration was determined based on performance, experience and prevailing industry practices, with compensation policies being reviewed on a regular basis. Bonuses and commission were also awarded to employees, based on their annual performance evaluation. Incentives were offered to encourage personal and career development.

Share Capital

As at 30 June 2008, the share capital of the Company was as follows:

	Number of shares issued	Percentage (%)
Domestic shares	1,482,000,000	72.29
H shares	<u>568,100,000</u>	<u>27.71</u>
Total	<u><u>2,050,100,000</u></u>	<u><u>100.00</u></u>

Purchase, Sale or Redemption of Shares

The Company has not redeemed any of its shares from 1 January 2008 to 30 June 2008. During the Period, neither the Company nor any of its subsidiaries purchased or sold any of the Company's shares.

In July 2008, BYD Electronic, the Company's subsidiary, purchased and cancelled its 18,237,000 ordinary shares on The Stock Exchange of Hong Kong Limited.

Capital Commitment

Please refer to note 19 to the consolidated financial statement for details of capital commitments.

Contingent Liabilities

Please refer to note 17 to the consolidated financial statement for details of contingent liabilities.

Post Balance Sheet Events

Please refer to note 21 to the consolidated financial statement for details of post balance sheet events.

Litigation

The Group was involved in a legal action commenced by certain affiliates of Foxconn International Holdings Limited as plaintiffs in the Intermediate People's Court of Shenzhen regarding alleged unauthorised use of confidential information. Such legal action has been withdrawn by the plaintiffs and is now discontinued. The Company is given to understand that the Shenzhen Public Security Bureau, Baoan Branch (the "Shenzhen Public Security Bureau") has filed a case of investigation against the Company in response to the request of the affiliates of Foxconn International Holdings Limited.

The legal action against the Company and certain subsidiaries of the Company and commenced by the same parties at the High Court of the Hong Kong Special Administrative Region ("High Court") in October 2007 (the "October 2007 Action") relating to the same allegations is still ongoing. As at the date of this announcement, service of writs on all of the defendants has been duly acknowledged. On 2 November 2007, the Company and BYD HK, the only parties to the legal action in Hong Kong who had been served with the writ at that time, applied to High Court for a stay of the October 2007 Action on the ground that the Intermediate People's Court in Shenzhen, instead of High Court, was the most appropriate forum to hear the dispute (the "Stay Application"). The hearing of the Stay Application took place on 11 and 12 June 2008 in Chambers at the Court of First Instance of the High Court and the Honourable Court's judgement in respect of Stay Application was handed down on 27

June 2008. The Stay Application was dismissed and an order was also made that costs of the Stay Application be to the Plaintiffs, to be assessed by the Court, if not agreed. The Group will continue to defend the case vigorously. Reference is also made to the announcement dated 30 June 2008 of the Company.

SUPPLEMENTARY INFORMATION

Corporate Governance

Compliance with the Code on Corporate Governance Practices (the “Code”)

The Board is committed to maintaining and ensuring high standards of corporate governance practices.

The Board puts emphasis on maintaining a quality Board with balance of skill set of directors, high transparency and effective accountability system in order to enhance shareholders’ value. In the opinion of the directors, the Company had during the Period complied with the applicable code provisions of the Code as set out in Appendix 14 to the Listing Rules except for the following deviation:

Code A.2.1

Code A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Mr. Wang Chuan-fu is the chairman and chief executive officer of the Company. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company. The balance of power and authority is ensured by the operations of the Board, which comprises experienced and high calibre individuals and meets regularly every three months to discuss issues affecting operations of the Group. The Board believes that this structure is conducive to strong and consistent leadership, enabling the Group to make and implement decisions promptly and efficiently. The Board has full confidence in Mr. Wang and believes that this appointment to the posts of chairman and chief executive officer is beneficial to the business development of the Company.

Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “Model Code”) as the code of conduct regarding directors’ securities transactions. Specific enquiry has been made to all Directors, who have confirmed that they had complied with the required standard set out in the Model Code during the Period.

Audit committee

The audit committee consists of three independent non-executive Directors and a non-executive Director. A meeting was convened by the Company's audit committee on 29 August 2008 to review the accounting policies and practices adopted by the Group and to discuss auditing, internal control, risk management and financial reporting matters (including reviewing the financial statements for the six months ended 30 June 2008 before recommending them to the Board for approval).

Disclosure of Information on the Stock Exchange's Website

This Interim results announcement is published on the website of the Stock Exchange (<http://www.hkex.com.hk>).

By order of the Board
BYD Company Limited
Chairman
Wang Chuan-fu

Hong Kong, 29 August, 2008

As at the date of this announcement, the executive directors of the Company are: Mr. Wang Chuan-fu; the non-executive director of the Company is: Mr. Lu Xiang-yang and Mr. Xia Zuo-quan; and independent non-executive directors of the Company are: Ms. Li Dong, Mr. Wu Chang-qi and Mr. Lin You-ren.