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HARMONY AUTO

和諧汽車

China Harmony New Energy Auto Holding Limited

中國和諧新能源汽車控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 03836)

**VOLUNTARY ANNOUNCEMENT
LATEST INFORMATION IN RELATION TO BUSINESS**

This voluntary announcement is made by China Harmony New Energy Auto Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) to provide the shareholders of the Company and potential investors the latest information on the business operations of the Group.

Future Mobility Corporation Limited (“**FMC**”), the high-end “internet + intelligent electric vehicle” projects of which are invested by the Company, successfully launched the first model, BYTON Concept, under the brand of BYTON, which was successfully debuted in the International Consumer Electronics Show (“**CES**”) in Las Vegas, the US on 8 January 2018.

BYTON Concept is a luxury intelligent mid-size SUV with technology-inspired brand-new design and an innovative intelligent human-to-vehicle interactive system. The first mass production vehicles, to be equipped with the L3-level Advanced Driver Assistance Systems (“**ADAS**”), will have the L4-level auto-pilot function after 2020. The first mass production vehicles will be officially put into operation in the fourth quarter of 2019 in the factory in Nanjing, the PRC, with a pricing of US\$45,000 (equivalent to approximately RMB300,000).

The board of directors believes that the official launching of BYTON Concept means that the “One Core with Two Complements” strategy of Harmony Auto has obtained substantial progress. As one of the largest dealerships of luxury and ultra-luxury vehicles in the PRC, the Group has large-scale sales network and integrated after-sales service system, which will make strong complement to the sales of new BYTON vehicles and after-sales services, and will further contribute to the generation of considerable synergies.

The Company believes that with the development of FMC business, the advancement and completion of BYTON milestones, the subsequent financing and future listing, the Company will further deepen and improve its “One Core with Two Complements” development strategy, and will receive sustained investment returns. The Company will continue to announce the latest update on FMC to the shareholders and potential investors of the Company.

INFORMATION ABOUT FMC

FMC is an exempted company incorporated in the Cayman Islands. It is a global smart electric cars company, aiming to build premium smart electric cars in China and shape the future for global automobile industry, in order to provide enjoyable time for people on the move. FMC has established offices in Nanjing, Beijing, Hong Kong, Munich and Silicon Valley, etc.

The Company believes that smart electric cars represent the future development direction of the automobile industry. In December 2016, as the founding investor, Harmony Auto contributed US\$30 million to the FMC smart electric car projects; in January 2017, FMC had signed an agreement with Nanjing Development Zone to build a premium smart electric vehicle research & development and manufacturing base in Nanjing Development Zone, with a planned total annual production capacity of 300,000 units of smart electric cars, covering models such as SUV, sedan and MPV. In August 2017, FMC has completed the latest round of financing. The pre-money valuation of FMC is US\$550 million, indicating a post-money valuation of US\$750 million.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
China Harmony New Energy Auto Holding Limited
Feng Changge
Chairman and executive director

Zhengzhou, the People’s Republic of China, 8 January 2018

As of the date of this announcement, the executive directors of the Company are Mr. Feng Changge, Mr. Liu Fenglei, Ms. Feng Guo and Ms. Ma Lintao; the non-executive director of the Company is Mr. Fan Qihui; and the independent non-executive directors of the Company are Mr. Xiao Changnian, Mr. Liu Zhangmin and Mr. Xue Guoping.