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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Harmony New Energy Auto Holding Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**PROPOSED RE-ELECTION OF RETIRING DIRECTORS,
PROPOSED GRANTING OF GENERAL MANDATES TO REPURCHASE
SHARES AND TO ISSUE SHARES,
CLOSURE OF REGISTER OF MEMBERS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of China Harmony New Energy Auto Holding Limited to be held at Taishan Room, Level 5, Island Shangri-La, Hong Kong on (Friday) June 9, 2017 at 4:00 p.m. is set out on pages 14 to 18 of this circular. A form of proxy for use at the Annual General Meeting is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.hexieauto.com>).

Whether or not you are able to attend the Annual General Meeting, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the Annual General Meeting if they so wish.

April 29, 2017

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Annual General Meeting”	the annual general meeting of the Company to be held at Taishan Room, Level 5, Island Shangri-La, Hong Kong on (Friday) June 9, 2017 at 4:00 p.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 14 to 18 of this circular, or any adjournment thereof
“Articles of Association”	the articles of association of the Company currently in force
“Board”	the board of Directors
“Company”	China Harmony New Energy Auto Holding Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and all of its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issuance Mandate”	a general mandate proposed to be granted to the Directors to allot, issue or deal with additional Shares of the exceeding 20% of the total number of issued shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of the Annual General Meeting set out on pages 14 to 18 of this circular

DEFINITIONS

“Latest Practicable Date”	April 24, 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Register”	the register of members of the Company
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued capital of the Company or if there has been a subsequent subdivision, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company
“Share Buy-back Mandate”	a general mandate proposed to be granted to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 4 of the notice of Annual General Meeting set out on pages 14 to 18 of this circular
“Shareholder(s)”	holder(s) of Share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission as amended from time to time

LETTER FROM THE BOARD



HARMONY AUTO

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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)

Executive Directors:

Mr. FENG Changge
Mr. LIU Fenglei
Mr. YANG Lei
Mr. QIAN Yewen
Ms. MA Lintao

Non-executive Director:

Mr. FAN Qihui

Independent Non-executive Directors:

Mr. XIAO Changnian
Mr. LIU Zhangmin
Mr. XUE Guoping

Registered Office:

Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Principal Place of Business and

Headquarter in the PRC:

15A, Building A, Shangwunehuan Road
CBD Zhengdongxin District
Zhengzhou, Henan Province
PRC

Principal Place of Business in Hong Kong:

18/F, Tesbury Centre
28 Queen's Road East, Wanchai
Hong Kong

April 29, 2017

To the Shareholders

Dear Sir/Madam,

**PROPOSED RE-ELECTION OF RETIRING DIRECTORS,
PROPOSED GRANTING OF GENERAL MANDATES TO REPURCHASE
SHARES AND TO ISSUE SHARES,
CLOSURE OF REGISTER OF MEMBERS
AND
NOTICE OF ANNUAL GENERAL MEETING**

LETTER FROM THE BOARD

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of certain resolutions to be proposed at the Annual General Meeting to be held on June 9, 2017.

2. PROPOSED RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Article 84 of the Company's Articles of Association, Mr. XIAO Changnian, Mr. LIU Zhangmin and Mr. XUE Guoping, all being independent non-executive Directors, will retire by rotation and offer themselves for re-election at the forthcoming Annual General Meeting.

Details of the retiring Directors are set out in Appendix I to this circular.

3. PROPOSED GRANTING OF GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on May 18, 2016, a general mandate was granted to the Directors to repurchase Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to repurchase Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Share Buy-back Mandate to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 4 of the notice of the Annual General Meeting as set out on pages 14 to 18 of this circular (i.e. a total of 157,570,067 Shares on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting).

The Directors wish to state that they have no immediate plan to repurchase any Shares pursuant to the Share Buy-back Mandate.

An explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the granting of the Share Buy-back Mandate is set out in Appendix II to this circular.

LETTER FROM THE BOARD

4. PROPOSED GRANTING OF GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on May 18, 2016, a general mandate was granted to the Directors to issue Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to issue Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Issuance Mandate to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of the Annual General Meeting as set out on pages 14 to 18 of this circular (i.e. a total of 315,140,135 Shares on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting). An ordinary resolution to extend the Issuance Mandate by adding the number of Shares repurchased by the Company pursuant to the Share Buy-back Mandate will also be proposed at the Annual General Meeting.

The Directors wish to state that they have no immediate plan to issue any new Shares pursuant to the Issuance Mandate.

5. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 14 to 18 of this circular.

Pursuant to the Listing Rules and the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands. An announcement on the poll vote results will be published by the Company after the Annual General Meeting in the manner prescribed under the Listing Rules.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.hexieauto.com>). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority, at the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish.

LETTER FROM THE BOARD

6. CLOSURE OF REGISTER

The Register will be closed from June 6, 2017 to, June 9, 2017 (both days inclusive) for determining the entitlement of the Shareholders to attend and vote at the Annual General Meeting, during which period no transfer of Shares will be effected.

In order to be eligible to attend and vote at the Annual General Meeting, all transfers of Shares must be duly completed, accompanied by the relevant share certificates and lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on June 5, 2017.

7. RECOMMENDATION

The Directors consider that the proposed re-election of retiring Directors, the granting of the Share Buy-back Mandate and the Issuance Mandate are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
For and on behalf of the Board
FENG Changge
Chairman

APPENDIX I DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING

The following are details of the Directors who will retire and being eligible, offer themselves for re-election at the Annual General Meeting.

(1) Mr. XIAO Changnian, aged 68, Independent Non-executive Director

Position and Experience

Mr. XIAO Changnian, is an independent non-executive Director of the Company. Mr. XIAO graduated with a bachelor's degree in industrial accounting from Hubei Institute of Finance and Economics (湖北財經學院) (now known as Zhongnan University of Economics and Law (中南財經政法大學)) in 1982. Mr. XIAO has more than 30 years of experience in the accounting and auditing profession. After graduation, Mr. XIAO worked for the National Audit Office of the PRC in the department of public transport (審計署工交局) from August 1982 to July 1994 and served as the deputy bureau chief of the Audit Office of the National Sports Commission of the PRC (國家體委審計局) from July 1994 to September 1998. He went on to serve as the deputy bureau chief in various departments of the National Audit Office of the PRC, such as the Customs Audit Office (海關審計局), the Transportation Audit Office (交通運輸審計局) and the Second Economics Audit Office (經濟審計二局) from September 1998 to December 2003. Thereafter, Mr. XIAO was appointed as auditing official (deputy bureau chief grade) of the Economics and Trade Office of National Audit Office of the PRC (審計署經貿司), where he served till December 2008. Mr. XIAO was the chairman of the board of supervisors of the Quantum Hi-Tech (China) Biological Co., Ltd (量子高科(中國)生物股份有限公司) (stock code: 300149.SZ), a company listed on the Shenzhen Stock Exchange, from November 2010 to August 13, 2014, and the independent director of Zhejiang Qianjiang Motorcycle Co., Ltd (浙江錢江摩托股份有限公司), (stock code: 000913.SZ), a company also listed on the Shenzhen Stock Exchange, since April 2012 to June 2015. Save as the above, Mr. XIAO has not been a director of any other listed companies over the past three years.

Length of service

Mr. XIAO was appointed as an independent non-executive Director on March 18, 2013. He has signed an appointment letter with the Company for a term of 3 years up to March 17, 2019. He is subject to retirement and is eligible to re-election at an annual general meeting of the Company at least once every 3 years pursuant to the Articles of Association.

Relationships

Mr. XIAO does not have any relationship with any Director, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

APPENDIX I DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING

Interests in Shares

As at the Latest Practicable Date, Mr. XIAO does not hold any interest in the Shares or underlying Shares pursuant to Part XV of the SFO.

Director's emoluments

The total remuneration of Mr. XIAO for the year ended December 31, 2016 was RMB240,000.

Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders

There is no information which is discloseable nor is Mr. XIAO involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Mr. XIAO that need to be brought to the attention of the Shareholders.

(2) **Mr. LIU Zhangmin, aged 67, Independent Non-executive Director**

Position and Experience

Mr. LIU Zhangmin, is an independent non-executive Director of the Company. Mr. LIU graduated with a college degree in industrial accounting from the Beijing Institute of Machinery Management (北京機械工業管理學院) (now known as the Beijing Information Science and Technology University (北京資訊科技大學) in 1986. He also qualified as a senior auditor in 1996, and as a senior accountant in 2006. Mr. LIU has over 40 years of experience in the automobile industry since he joined the Dongfeng Motor Corporation (東風汽車公司) in 1970. Mr. LIU started as a deputy head of factory in Dongfeng Motor Corporation in July 1982, and worked in procurement, finance and other departments in different positions of responsibility. Mr. LIU was appointed as vice president of Dongfeng Motor Corporation in July 1995 and chief accounting officer in April 2005. He was appointed as chairman of the board of directors of Dongfeng Motor Finance Co., Ltd. (東風汽車財務有限公司) in November 1997, Dongfeng Checheng Logistics Co., Ltd (東風車城物流股份有限公司) in February 2004 and Dongfeng Nissan Auto Finance Co., Ltd (東風日產汽車金融有限公司) in July 2007.

APPENDIX I DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING

Mr. LIU is an outside director of the China COSCO Shipping Corporation Limited (中國遠洋海運集團有限公司) (since January 2016); an outside director of China Poly Group Corporation (中國保利集團公司) (since April 2014); and the independent director of China Communications Construction Co., Ltd (中國交通建設股份有限公司) (stock code: 1800.HK, 601800.SS), a company listed on the Hong Kong Stock Exchange and Shanghai Stock Exchange (since December 2009). He also held the following positions in the respective listed companies:

- the president and executive director of Dongfeng Motor Group Company Limited (東風汽車集團股份有限公司) (stock code: 0489.HK), a company listed on the Hong Kong Stock Exchange (from December 2004 to June 2010).
- the independent director of China First Heavy Industries Co., Ltd (中國第一重型機械股份公司)(stock code: 601106.SS), a company listed on the Shanghai Stock Exchange (from December 2011 to April 2015); and
- the independent director of China Yangtze Power Co., Ltd (中國長江電力股份有限公司) (stock code: 600900.SS), a company listed on the Shanghai Stock Exchange (from June 2010 to May 2015).

Mr. LIU no longer served as the independent director of China First Heavy Industries Co., Ltd. (中國第一重型機械股份公司) (stock code: 601106.SS); and China Yangtze Power Co., Ltd. (中國長江電力股份有限公司) (stock code: 600900.SS), both are companies listed on the Shanghai Stock Exchange, with effect from April 2015 and May 2015 respectively.

Save as the above, Mr. LIU has not been a director of any other listed companies over the past three years.

Length of service

Mr. LIU was appointed as an independent non-executive Director on March 18, 2013. He has signed an appointment letter with the Company for a term of 3 years up to March 17, 2019. He is subject to retirement and is eligible to re-election at an annual general meeting of the Company at least once every 3 years pursuant to the Articles of Association.

Relationships

Mr. LIU does not have any relationship with any Director, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

APPENDIX I DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING

Interests in Shares

As at the Latest Practicable Date, Mr. LIU does not hold any interest in the Shares or underlying Shares pursuant to Part XV of the SFO.

Director's emoluments

The total remuneration of Mr. LIU for the year ended December 31, 2016 was RMB240,000.

Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders

There is no information which is discloseable nor is Mr. LIU involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Mr. LIU that need to be brought to the attention of the Shareholders.

(3) Mr. XUE Guoping, aged 66, Independent Non-executive Director

Position and Experience

Mr. XUE Guoping, is an independent non-executive Director of the Company. Mr. XUE graduated from Beijing University of Foreign Trade (北京對外貿易大學) (now known as University of International Business and Economics (對外經濟貿易大學)) in 1976. Mr. XUE began his career in the COFCO Group (中糧集團) and was appointed as deputy chief executive officer in 1994. He also served as the deputy general manager and general manager of COFCO Hong Kong (previously known as Top Glory International Holdings Limited (鵬利國際集團有限公司)) between 1994 and 2004. Mr. XUE continued to serve as the deputy chief executive officer of the COFCO Group until he retired in 2010. Mr. XUE was an executive director and later the chairman of the board of directors of China Foods Limited (中國食品有限公司) (stock code: 0506.HK), a company listed on the Stock Exchange and a division of the COFCO Group, from 1995 to 2007, and chairman of the board of directors of CPMC Holdings Limited (中糧包裝控股有限公司) (stock code: 0906.HK), a company listed on the Stock Exchange and a division of the COFCO Group, from 2008 to 2011. Save as the above, Mr. XUE has not been a director of any listed companies over the past three years.

**APPENDIX I DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE
RE-ELECTED AT THE ANNUAL GENERAL MEETING**

Length of service

Mr. XUE was appointed as an independent non-executive Director on March 18, 2013. He has signed an appointment letter with the Company for a term of 3 years up to March 17, 2019. He is subject to retirement and is eligible to re-election at an annual general meeting of the Company at least once every 3 years pursuant to the Articles of Association.

Relationships

Mr. XUE does not have any relationship with any Director, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

Interests in Shares

As at the Latest Practicable Date, Mr. XUE does not hold any interest in the Shares or underlying Shares pursuant to Part XV of the SFO.

Director's emoluments

The total remuneration of Mr. XUE for the year ended December 31, 2016 was RMB240,000.

Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders

There is no information which is discloseable nor is Mr. XUE involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Mr. XUE that need to be brought to the attention of the Shareholders.

The following is an explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Share Buy-back Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,575,700,677 Shares.

Subject to the passing of the ordinary resolution set out in item 4 of the notice of the Annual General Meeting in respect of the granting of the Share Buy-back Mandate and on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting, i.e. being 1,575,700,677 Shares, the Directors would be authorized under the Share Buy-back Mandate to repurchase, during the period in which the Share Buy-back Mandate remains in force, a total of 157,570,067 Shares, representing 10% of the total number of Shares in issue as at the date of the Annual General Meeting.

2. REASONS FOR SHARE BUY-BACK

The Directors believe that the granting of the Share Buy-back Mandate is in the best interests of the Company and the Shareholders.

Shares Buy-back may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such a buy-back will benefit the Company and the Shareholders.

3. FUNDING OF SHARE BUY-BACK

The Company may only apply funds legally available for share buy-back in accordance with its Articles of Association, the laws of Cayman Islands and/or any other applicable laws, as the case may be.

4. IMPACT OF SHARE BUY-BACK

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended December 31, 2016) in the event that the Share Buy-back Mandate was to be carried out in full at any time during the proposed buy-back period. However, the Directors do not intend to exercise the Share Buy-back Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which Shares have been traded on the Stock Exchange during each of the previous 12 months (and from April 1, 2016 up to the Latest Practicable Date) were as follows:

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
April, 2016	5.31	3.98
May, 2016	4.80	4.02
June, 2016	4.71	3.96
July, 2016	4.68	4.06
August, 2016	4.67	4.05
September, 2016	4.47	3.63
October, 2016	4.00	3.56
November, 2016	3.76	3.00
December, 2016	3.19	2.73
January, 2017	3.87	2.70
February, 2017	4.04	3.50
March, 2017	4.15	2.91
April, 2017 (<i>up to the Latest Practicable Date</i>)	3.31	2.84

6. GENERAL

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Share Buy-back Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Share Buy-back Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to repurchase Shares pursuant to the Share Buy-back Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

7. TAKEOVERS CODE

If as a result of a buy-back of Shares pursuant to the Share Buy-back Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

To the best knowledge of the Company, as at the Latest Practicable Date, Mr. FENG Changge, a controlling Shareholder, was interested in 683,066,160 Shares (which was held by Eagle Seeker Company Limited, a company wholly owned by Mr. FENG Changge) representing approximately 43.35% of the total issued share capital of the Company. In the event that the Directors exercise the proposed Share Buy-back Mandate in full, the shareholding of Mr. FENG Changge would be increased to approximately 48.17% of the issued share capital of the Company.

The Directors consider that such increase in shareholding would give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors do not propose to exercise the Share Buy-back Mandate to such an extent as would, in the circumstances, give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

8. SHARE BUY-BACK MADE BY THE COMPANY

The Company has bought back a total of 33,783,000 Shares on the Stock Exchange during the six months immediately preceding the Latest Practicable Date, the details of which were as follows:

Date of buy-back	Number of Shares bought back	Highest price paid per share <i>HK\$</i>	Lowest price paid per share <i>HK\$</i>
25 January 2017	243,500	3.64	3.62
26 January 2017	1,315,000	3.74	3.70
27 January 2017	430,000	3.76	3.72
1 February 2017	1,649,500	3.84	3.67
2 February 2017	7,923,000	3.88	3.74
3 February 2017	4,476,500	3.78	3.71
6 February 2017	1,950,000	3.78	3.68
7 February 2017	2,640,000	3.88	3.82
8 February 2017	2,607,000	3.84	3.80
9 February 2017	880,000	3.94	3.90
10 February 2017	1,350,000	3.94	3.92
22 February 2017	1,126,500	3.75	3.69
23 February 2017	2,220,000	3.86	3.80
24 February 2017	2,637,000	3.84	3.71
27 February 2017	1,300,000	3.70	3.67
5 April 2017	500,000	3.27	3.17
6 April 2017	535,000	3.24	3.21
	33,783,000		

Save as disclosed above, the Company has not repurchased any of its Shares (whether on the SEHK or otherwise) in the six months preceding the Latest Practicable Date.

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of China Harmony New Energy Auto Holding Limited (the “**Company**”) will be held at Taishan Room, Level 5, Island Shangri-La, Hong Kong on Friday, June 9, 2017 at 4:00 p.m. for the following purposes:

1. To receive the audited consolidated financial statements of the Company and the reports of the directors and auditors for the year ended December 31, 2016.
2. To re-elect directors and to authorize the board of directors to fix the respective directors’ remuneration.
3. To re-appoint auditors and to authorize the board of directors to fix their remuneration.
4. To consider and, if thought fit, pass with or without amendments, the following resolutions as an ordinary resolution:

“THAT:

- (a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to exercise during the Relevant Period (as defined below) all the powers of the Company to repurchase its shares in accordance with all applicable laws, rules and regulations;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the total number of shares of the Company to be repurchased pursuant to the mandate in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution; if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be repurchased under the mandate in paragraph (a) above as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same; and
- (c) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

- 5. To consider and, if thought fit, pass with or without amendments, the following resolutions as an ordinary resolution:

“**THAT:**

- (a) subject to paragraph (c) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company during the Relevant Period (as defined below) to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers;
- (b) the mandate in paragraph (a) above shall authorize the directors of the Company to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

(c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted by the directors pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:

- (i) a Rights Issue (as defined below);
- (ii) the exercise of options under a share option scheme of the Company; and
- (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company,

shall not exceed 20% of the total number of issued shares of the Company as at the date of passing of this resolution, and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be issued under the mandate in paragraph (a) above as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same; and

(d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

“Right Issue” means an offer of shares open for a period fixed by the directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”

NOTICE OF ANNUAL GENERAL MEETING

6. To consider and, if thought fit, pass with or without amendments, the following resolutions as an ordinary resolution:

“**THAT** conditional upon the passing of resolutions set out in items 4 and 5 of the notice convening this meeting (the “**Notice**”), the general mandate referred to in the resolution set out in item 5 of the Notice be and is hereby extended by the addition to the aggregate number of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the directors pursuant to such general mandate of the number of shares repurchased by the Company pursuant to the mandate referred to in resolution set out in item 4 of the Notice, provided that such amount shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution.”

By Order of the Board

FENG Changge

Chairman

Zhengzhou, The People’s Republic of China

April 29, 2017

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. All resolutions at the meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy/ more than one proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company’s share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. For determining the entitlement to attend and vote at the above meeting, the register of members of the Company will be closed from Tuesday, June 6, 2017 to Friday, June 9, 2017, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the annual general meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, June 5, 2017.