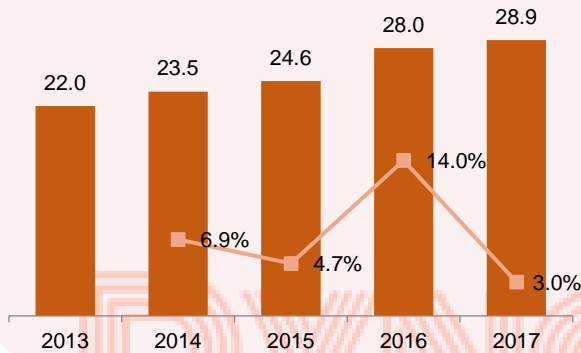




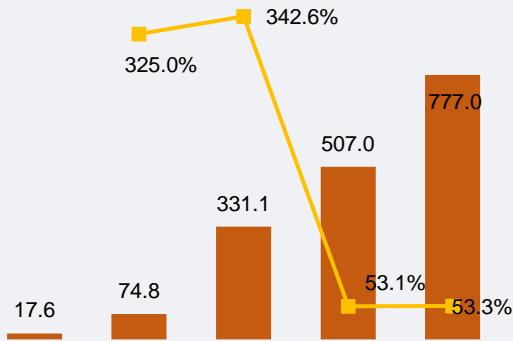
STUDY ON EV MARKET IN CHINA

New Vehicle Sales in China (in million Units)



- The sales of new vehicles have witnessed a slower growth in China, with a CAGR (i.e. compounded annual growth rate) of 7.1% during 2013-2017, as the vehicle market in China has become mature and the growth rate has slowed down after more than 10 years high-speed growth

New EV Sales in China (in thousand Units)



- China's EV market started to boom in 2013. Before that, the annual sales volume was less than 10,000 units. With the encouraging government policies and EV OEM & battery suppliers' technical innovation, the Y-o-Y growth rate of EV sales exceeded 300% during year 2013-2015. In 2016 and 2017, EV market maintained the strong growth, with annual growth rate above 50%

- Unlike traditional vehicles, EV market saw the rapid growth during the past few years, and the trend is estimated to continue later. Owing to its environmentally friendly and higher expectation on its growth potential, Chinese government has released dozens of encouraging policies to accelerate the development of EV related companies, and reduced tax on EV purchase. Moreover, in the tier 1 cities like Shanghai, traditional vehicle owners must pay close to RMB 100,000 to obtain the license plate, whereas Shanghai government offers license plate to EV owners for free to stimulate EV sales

NEW EV RELATED GOVERNMENT REGULATIONS

“Notice on Adjusting and Improving the Financial Subsidy Policy for the Promotion and Application of New Energy Vehicles”

Released in February 2018 by four commissions including Ministry of Finance



The main objective of this policy is to encourage the development of high-performance battery and restrict the usage of low performance ones

“Double-Integral Policy”

Released in April 2018 by five commissions and will be effective in 2019



Traditional vehicle OEMs are seeking solutions to deal with the impact from this policy, by setting up JVs with EV OEMs, or launching new BEV or HEV

EV OEMS

- Tesla (MNC EV brand)
- BMW (MNC traditional vehicle brand)
- Volkswagen (MNC traditional vehicle brand)
- BYD (Local EV/battery brand)
- BAIC BJEV (Local tradition vehicle brand)
- Changan (Local tradition vehicle brand)
- Nio (Local EV brand)
- ZD (Local EV brand)

USED EV DEALERS

- Ren Ren Che (Online trading platform)
- Youxin Second-hand Vehicles (Online trading platform)
- Che Zhi Bao (Online trading platform)
- Taoche.com (Online trading platform)
- Gua Zi Second-hand vehicles (Online trading platform)
- Car King (Physical store)
- AKD (Physical store)

BATTERY CASCADE UTILIZATION

- Chilwee Group
- BYD Company Ltd.
- OptimumNano Energy Co., Ltd.
- Shenzhen Bak Battery Co., Ltd.
- Zhong Tian Hongli Co., Ltd.
- Contemporary Amperex Technology Co., Ltd.
- BAIC BJEV

USED EV DEALERS

- Guangdong Brunp Recycling Technology Co., Ltd.
- Sound Group
- GEM Co., Ltd.
- Ganzhou Highpower Technology Co., Ltd.
- Fangyuan Environmental Protection Limited Company
- Guangdong Guanghua Sci-Tech Co., Ltd.
- Huayou Cobalt Co., Ltd.