



HARMONY AUTO
和諧汽車

2019 全年业绩演示材料

Annual Results Presentation

中国和谐新能源汽车控股有限公司
China Harmony New Energy Auto Holding Ltd.



股票代码 Stock Code : 03836.HK

Disclaimer



This presentation material is prepared by China Harmony New Energy Auto Holdings Ltd.(the “Company”) solely for your information only. All or any part of this presentation material may not be taken away, reproduced, redistributed, or retransmitted in any manner. You agree to be bound by the above condition by participating into this presentation. Any non-compliance may be against the related laws and requirements. This presentation material does not constitute an offer to purchase or sell the related securities or forms the basis of, or be relied upon in connection with any contract, commitment or investment decision whatsoever. This presentation material may contain forward-looking statements. These forward-looking statements are based on a number of assumptions about the future, some of which are beyond the Company’s control. The Company does not undertake any obligation to update any forward-looking statements to reflect events that occur or circumstances that arises after the date of this presentation. Potential investors should bear in mind that actual financial results may differ materially from the following forward-looking statements. The information contained in this presentation material is not verified by any independent third party. No warranty is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information contained herein. The information contained in this presentation material should be interpreted under the prevailing circumstances. There is no update and nothing to be updated upon the presentation to reflect any significant change in the development. At no time does the Company or the related directors, management, employees, agents or advisers accept any liability for the information contained in this presentation material and accordingly accept any liability whatsoever for any loss howsoever arising from any use of this presentation material.

Directory



Business Overview



Financial Analysis



Future Strategy

| Business Overview

 **Dealership Business**

Dealership Business | Performance Highlights



Increased 47.4%

Increased 21.5%

Increased 17.9%

Increased 31.7%

Net profit from core business reached

488.9 million RMB

New car sales reached

32,796

Comprehensive income reached

12.92 billion RMB

Aftersales income Reached

1.69 billion RMB

Dealership Business | Brand Portfolio



Operating 4 ultra-luxury brands :
Bentley / Maserati / Rolls-Royce / Ferrari



Operating 10 luxury brands :
BMW / MINI / Lexus / Jaguar / Land
Rover



Volvo / Zinoro / Alfa Romeo / Lincoln /
Audi

Dealership Business | Network Development — Network Planning



Total number of stores in operation



72

AS of 31 Dec 2019*

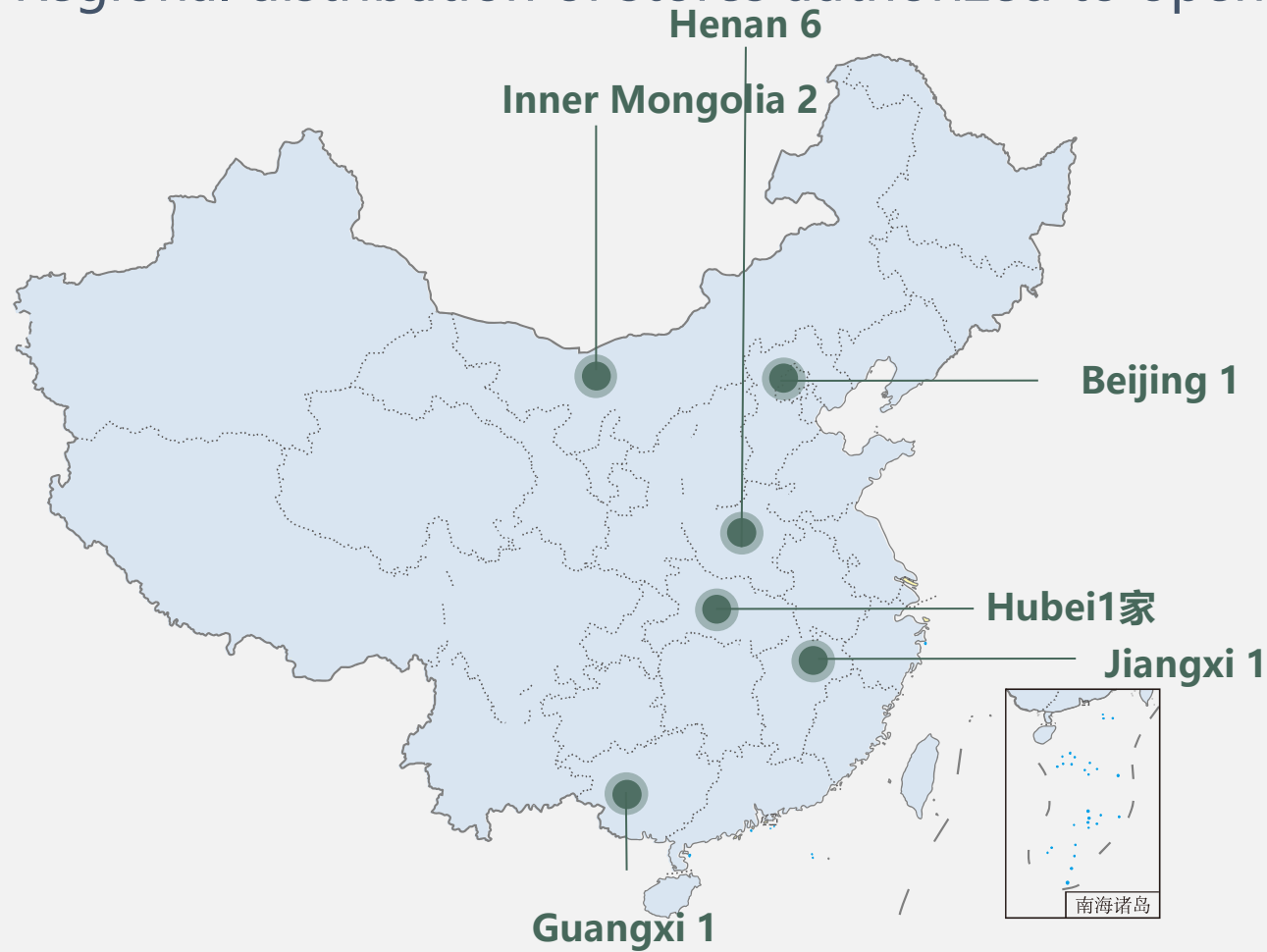
9 new stores added in 2019



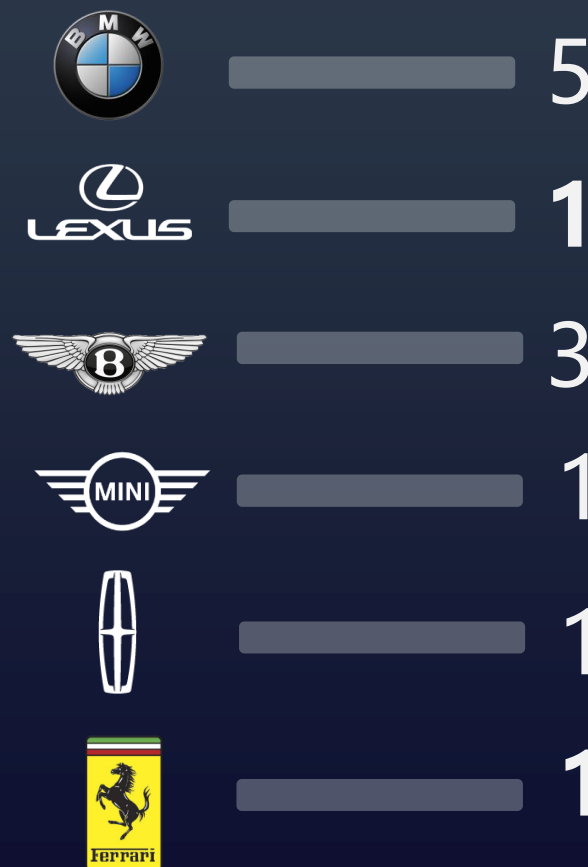
Dealership Business | Business Development — Network Expansion



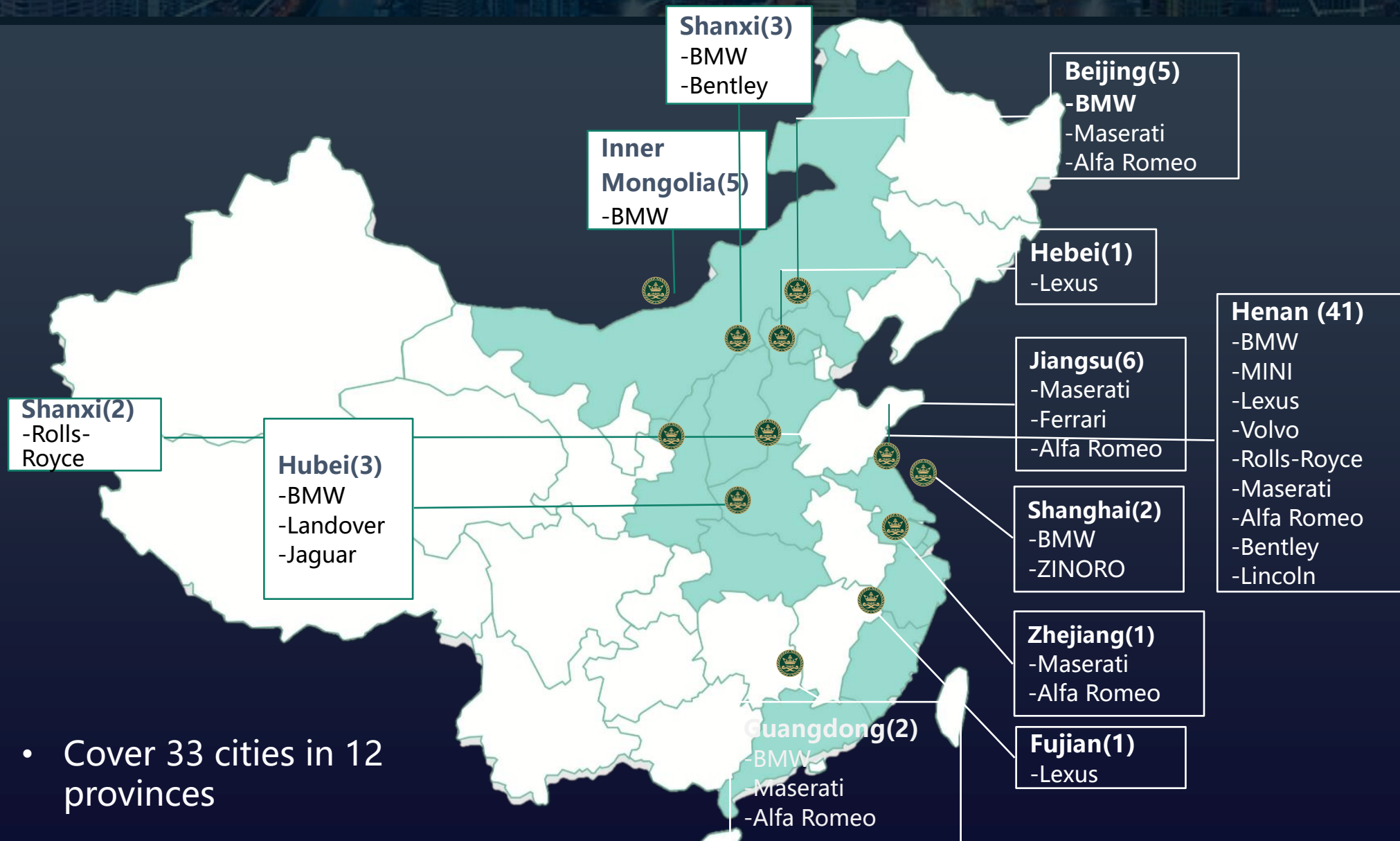
- Regional distribution of stores authorized to open



- 12 new authorizations under construction



Dealership Business | Network Development — Distribution

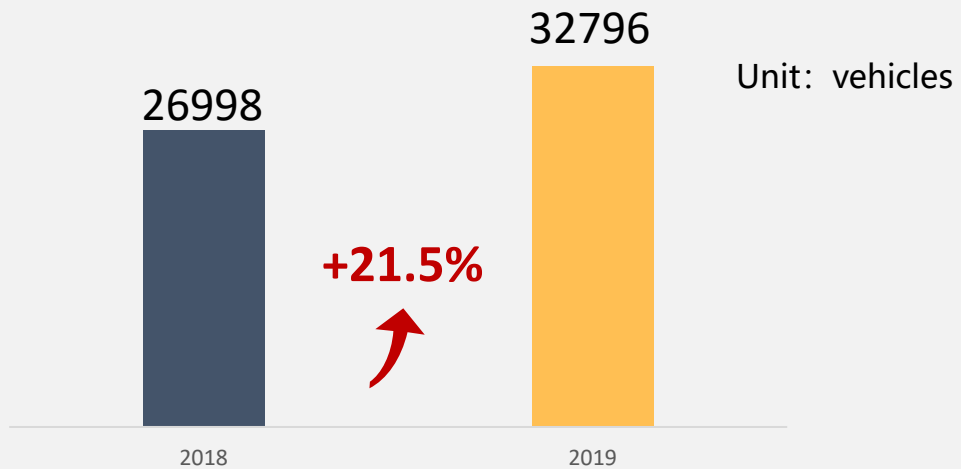


- Cover 33 cities in 12 provinces

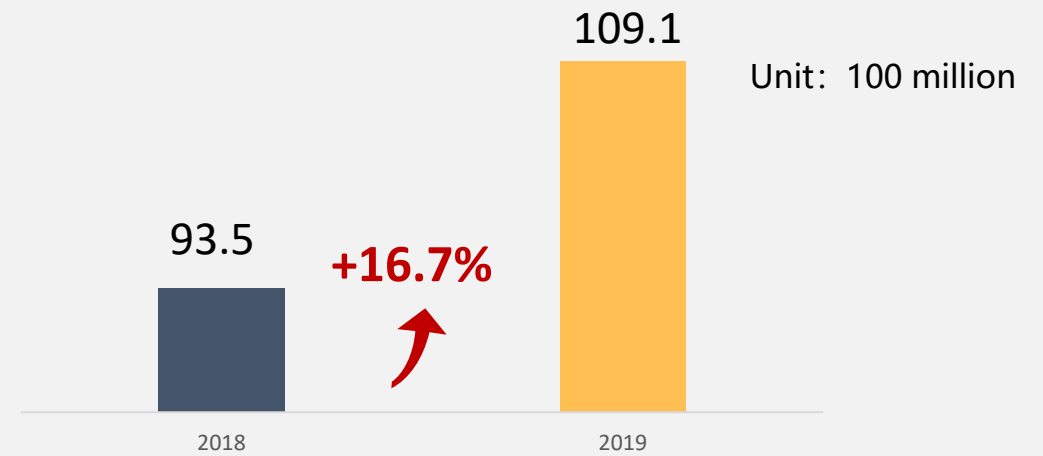
Dealership Business | Rapid Growth Of New Car Sales



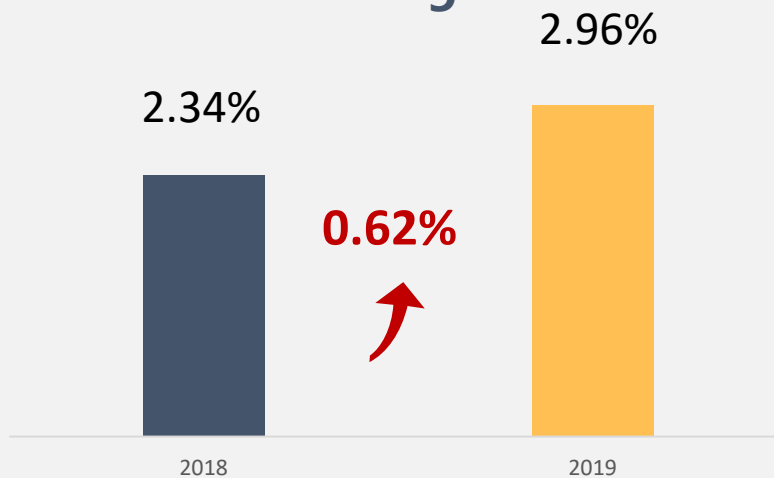
New car sales



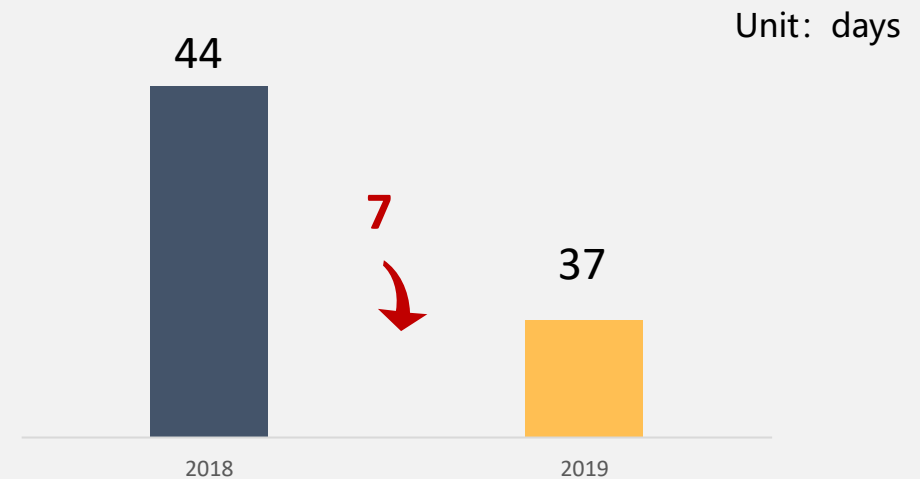
New car sales revenue



New car gross profit margin



Inventory turnover days



Dealership business | Key Brand Performance



BMW sales in China
(including MINI)

717,000

vehicles

YoY growth

↑13.1%



BMW sales from
Harmony (including MINI)

25,600

vehicles

YoY growth

↑17.4%



Lexus sales in
China

200,000

vehicles

YoY growth

↑25.8%



Lexus sales from
Harmony

3,821

vehicles

YoY growth

↑28.0%



Ferrari sales from
Harmony

↑141.2%

YoY growth



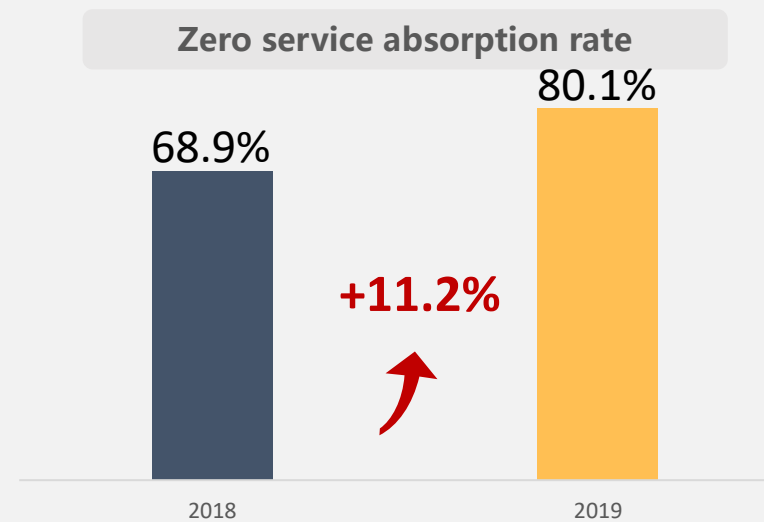
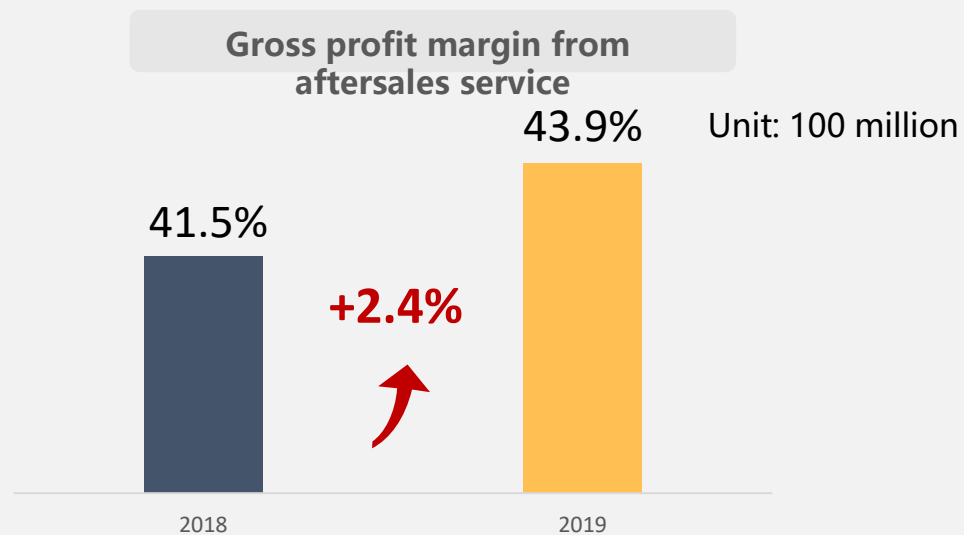
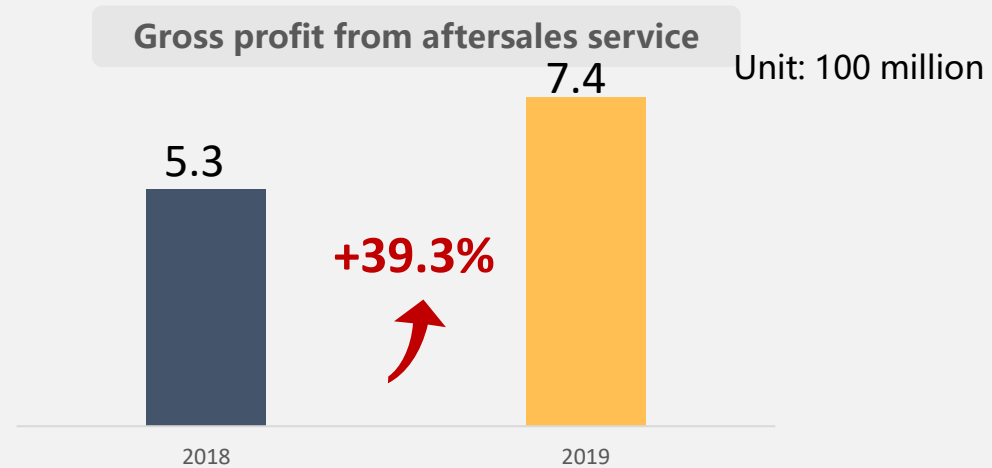
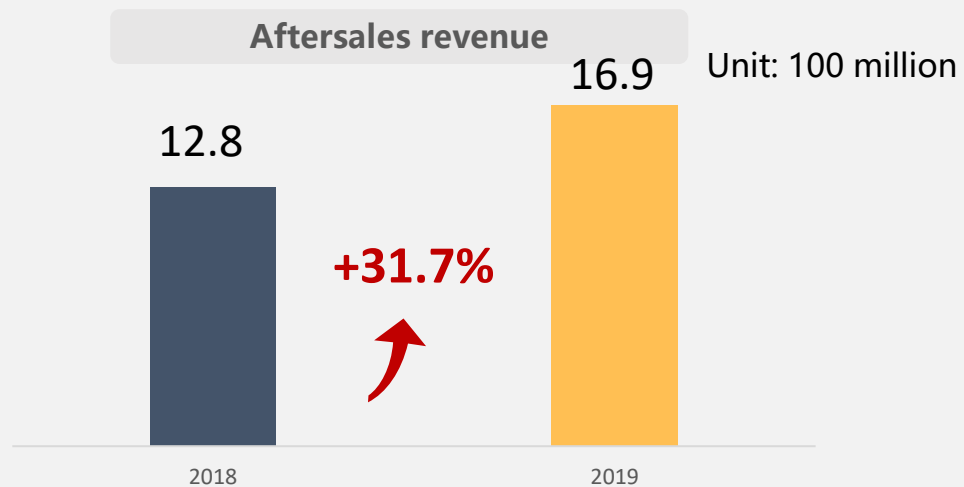
Rolls-Royces sales
from Harmony

↑95.8%

YoY growth

Dealership Business |

Stable growth of aftersales service

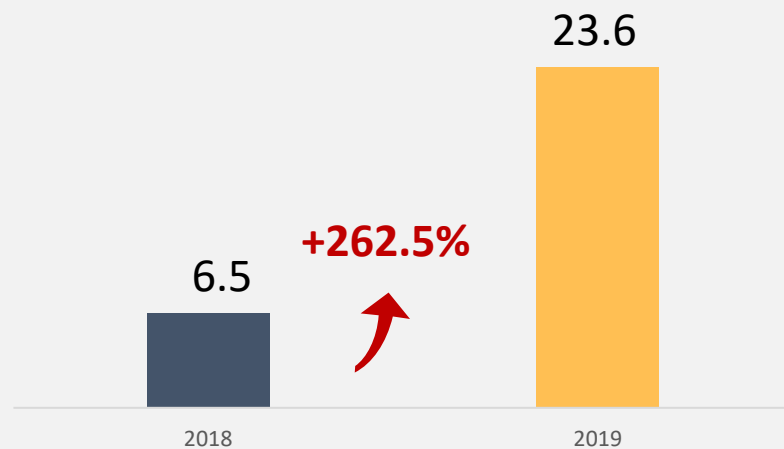


Dealership Business | Finance Leasing and Commission Income

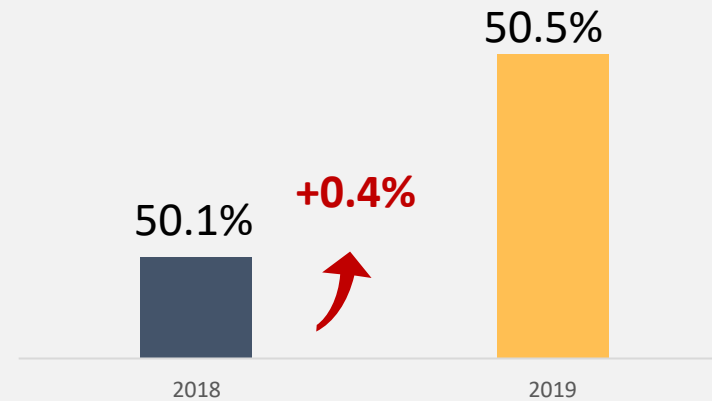


Finance leasing

unit: million

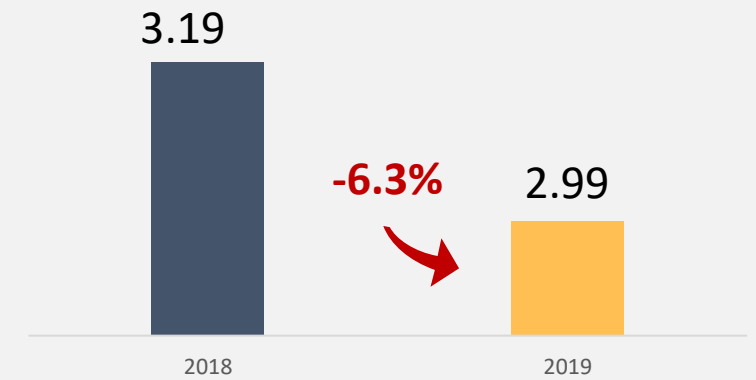


Financial penetration rate



Commission income

unit: 100 million



Dealership Business | Operation Capacity



BMW

- Henan Zhongdebao** 2019 BMW After-sales Operation Improvement Innovation Star
- Beijing Huadebao** 2019 After sales Creative Star for BMW Small Action ·Making a Big Difference
- Henan Yingzhiyi** 2019 MINI Dealer Solicits Total Athlete Award Champion in Major Competition after Sales
- Shanghai Shangde Baojun** Bmw financial east district outstanding F&I honor in 2019
- Zhengzhou Zheng Debao** "Best Team First Prize" in 2019 National Solicitation Competition
- Guangzhou Guangdebao** Best Performance Award in After-Sales Market
- Kaifeng Biandeobao** BMW Financial Five-Year Service Award
- Xinxiang and Debao** BMW West 2019 Customer Retention Award
- Zhoukou Zhou Debao** Obtained the factory original factory extension guarantee outstanding dealer



- Zhengzhou Yuanda** Lexus China Outstanding Dealer in 2019 (for 6 consecutive years)
- Lexus China Outstanding General Manager in 2019 (for 6 consecutive years)
- Lexus China Outstanding Service Manager in 2019 (for 6 consecutive years)
- Luoyang as far away as** 2019 National Outstanding Service Advisor
- Nanyang Wanwo** 2019 Volvo North District Best New Dealer



Ferrari & Maserati & Alfa Romeo

- Suzhou Yijun** Best Ferrari Dealer in 2019
- Maserati Best Customer Experience Award 2019
- Beijing haojunxing** Maserati's Best After-Sales Service Process Team in 2019
- 2019 Alfa Romeo 20 New Car Training Award
- Alfa Romeo Best Distribution Store in 2018-2019
- Beijing Jiajun** Maserati Best New Dealer Facility Construction Award in 2019
- Wuxi Longjunxing** Maserati 2019 Global Best After Sales Award

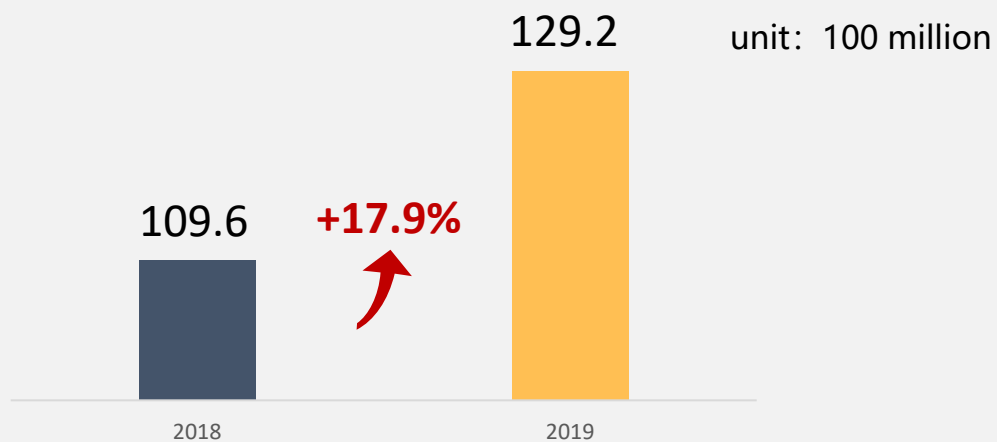
| Financial Analysis

-  Financial Performance
-  Income and Gross Profit Margin
-  Cost management and Debt Analysis
-  Comprehensive Financial Overview

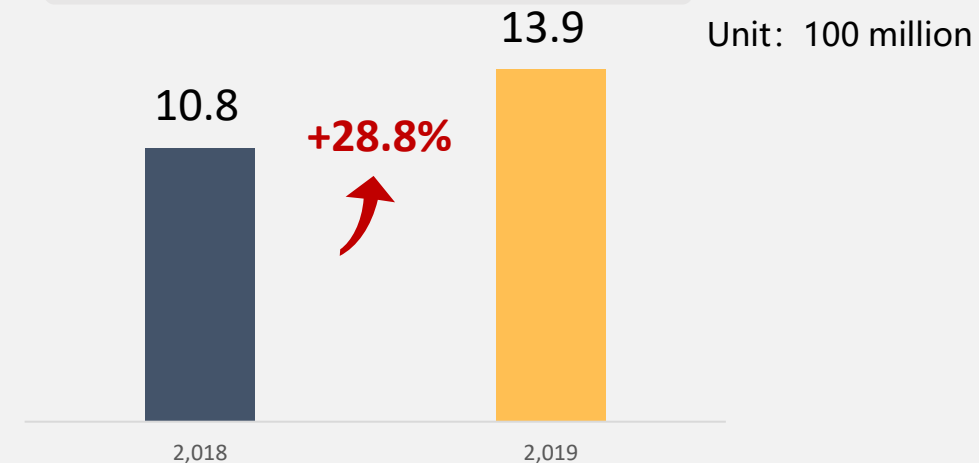
Financial Analysis | Financial Performance



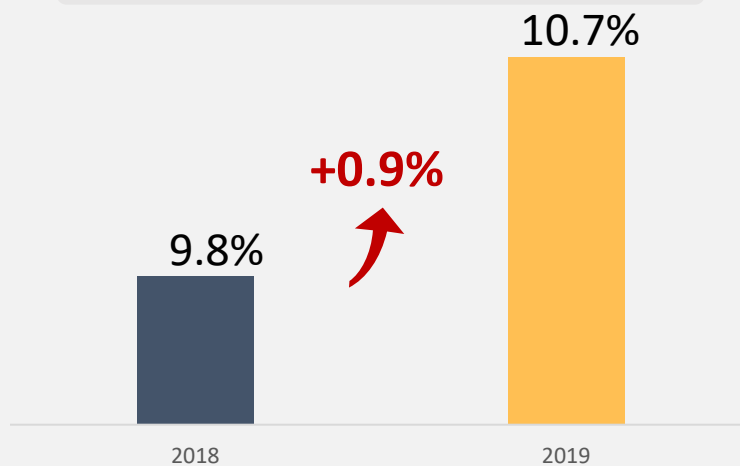
Comprehensive Income



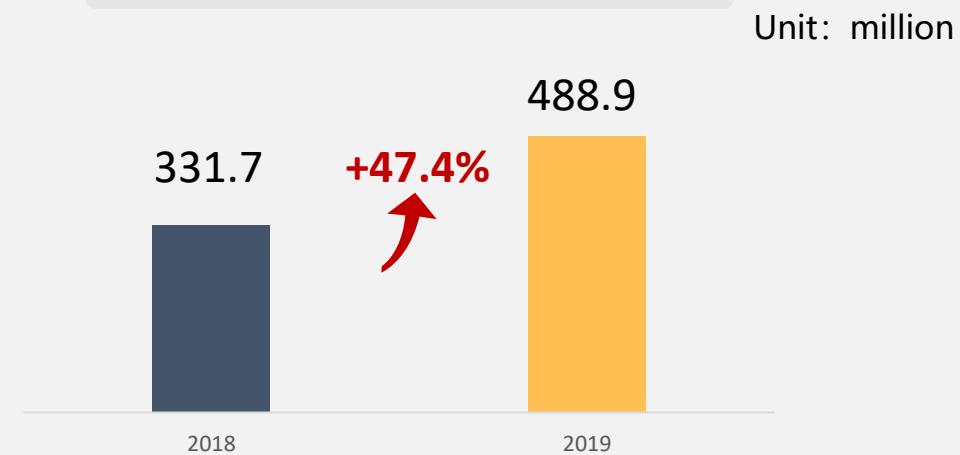
Comprehensive Gross profit



Comprehensive Gross Profit Margin



Dealer's Business Belonging to Parent Company's Net Profit

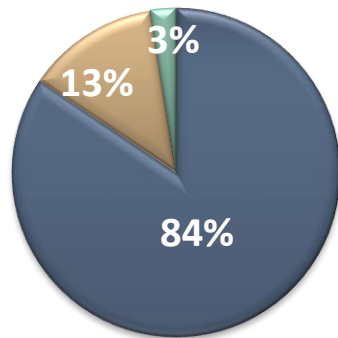


Financial analysis |

Revenue and Gross Profit from Various Sectors



Proportion of Revenue from Various Sectors

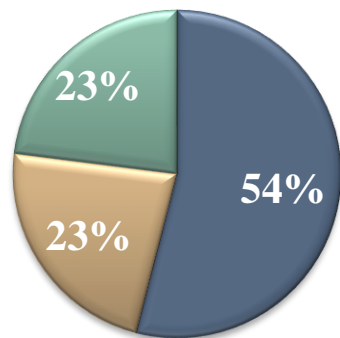


	2018	2019	Year-on-year growth/decrease
New car sales revenue	9,353,620	10,912,378	16.7%
After-sales service income	1,279,726	1,685,770	31.7%
Finance lease income	6,531	23,673	262.5%
Commission income	319,752	299,559	-6.3%

■ New car income ■ Customer service income ■ Other

Unit: 1000 yuan

Proportion of Gross Profit from Various Sectors



	2018	2019	Gross profit margin growth
Main business gross profit margin	7.1%	8.6%	1.5%
Gross profit margin of new car sales	2.3%	3.0%	0.7%
Gross profit rate of after-sales service	41.5%	43.9%	2.4%

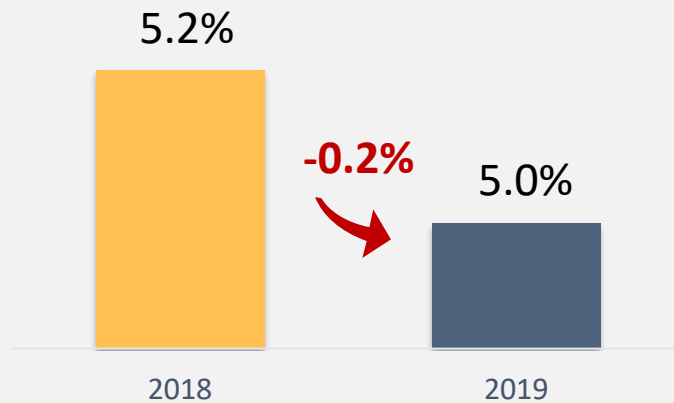
■ New gross profit ■ Customer service profit ■ Other

Financial Analysis |

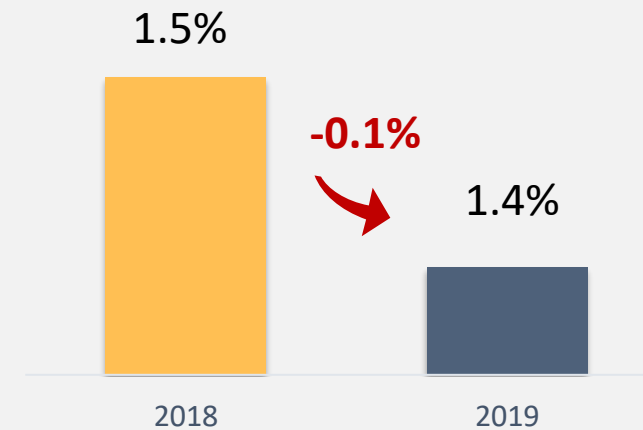
Cost Management and Debit Analysis



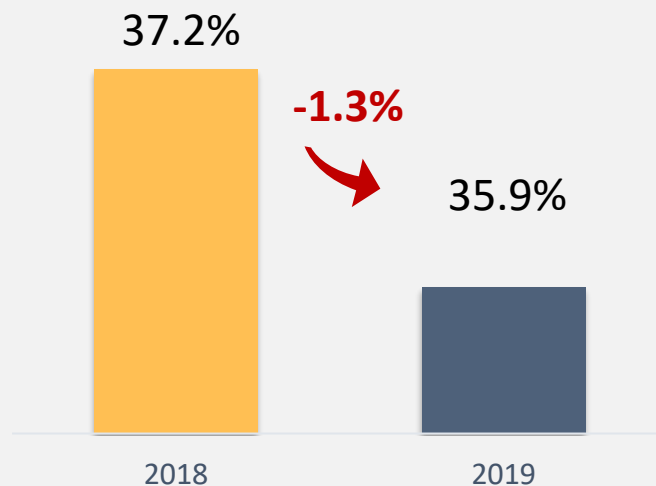
Selling Expense Ratio



Management Expense Ratio



Asset-Liability Ratio



- As of December 31, 2019, the group's asset-liability ratio (total liabilities/total assets) was 35.9%, down 1.3% year on year
- Asset-liability ratio is far lower than that of peers.
- In the future, the company will use syndicated loans, bonds and other means to increase leverage ratio for expanding business scale and mergers and acquisitions, thus improving ROE level.

Financial Analysis | Comprehensive Financial Overview



RMB 1 million Yuan	January 1, 2019 Until December 31	January 1, 2018 Until December 31	Increase/(decrease)
Comprehensive income	12,921	10,960	17.9%
Commission income	300	319	(6.0%)
Comprehensive gross margin	10.7%	9.8%	0.9%
Sales management and financial expenses	925	771	19.9%
Net profit attributable to parent company (dealer business)	489	332	47.4%
Inventory	1,262	1,124	12.2%
Total assets	11,423	11,022	3.6%
Bank loans and other loans	2,494	2,138	16.7%
Net assets	7,323	6,921	5.8%
Asset-liability ratio	35.9%	37.2%	(1.3%)

Note: The comprehensive gross profit includes commission income.

| Future Strategy


-  Focus on Core Business, Separate Two Branches
-  Focus on Dominant Brands
-  Development Objective of 2020

Future Strategy | Focus on Core Business, Separate two branches



 Separated,
independent



 Focus on core
business



 Separated,
independent

Business Strategy | Focus on Dominant Brands

·Key dominant brands for future development

— Luxury Brands —



— Ultra Luxury Brands —



Future Strategy | Development Objective of 2020



•Self-development goal

The development of self-built network increases
15% in the coming year

Development Strategy | Development Objective of 2020-Merger and Acquisition

- Target of Mergers and Acquisitions-3 stores have been acquired in January 2020



Ferrari Kunming



Bingley Shijiazhuang



Audi Beijing



- Target of proposed merger and acquisition is currently in deep negotiation and adjustment with many automobile enterprises. More targets are expected to be acquired in the future.



HARMONY AUTO
和諧汽車

Thank You!

Hong Kong Investor Relation Office
Email: hk@hexieauto.com