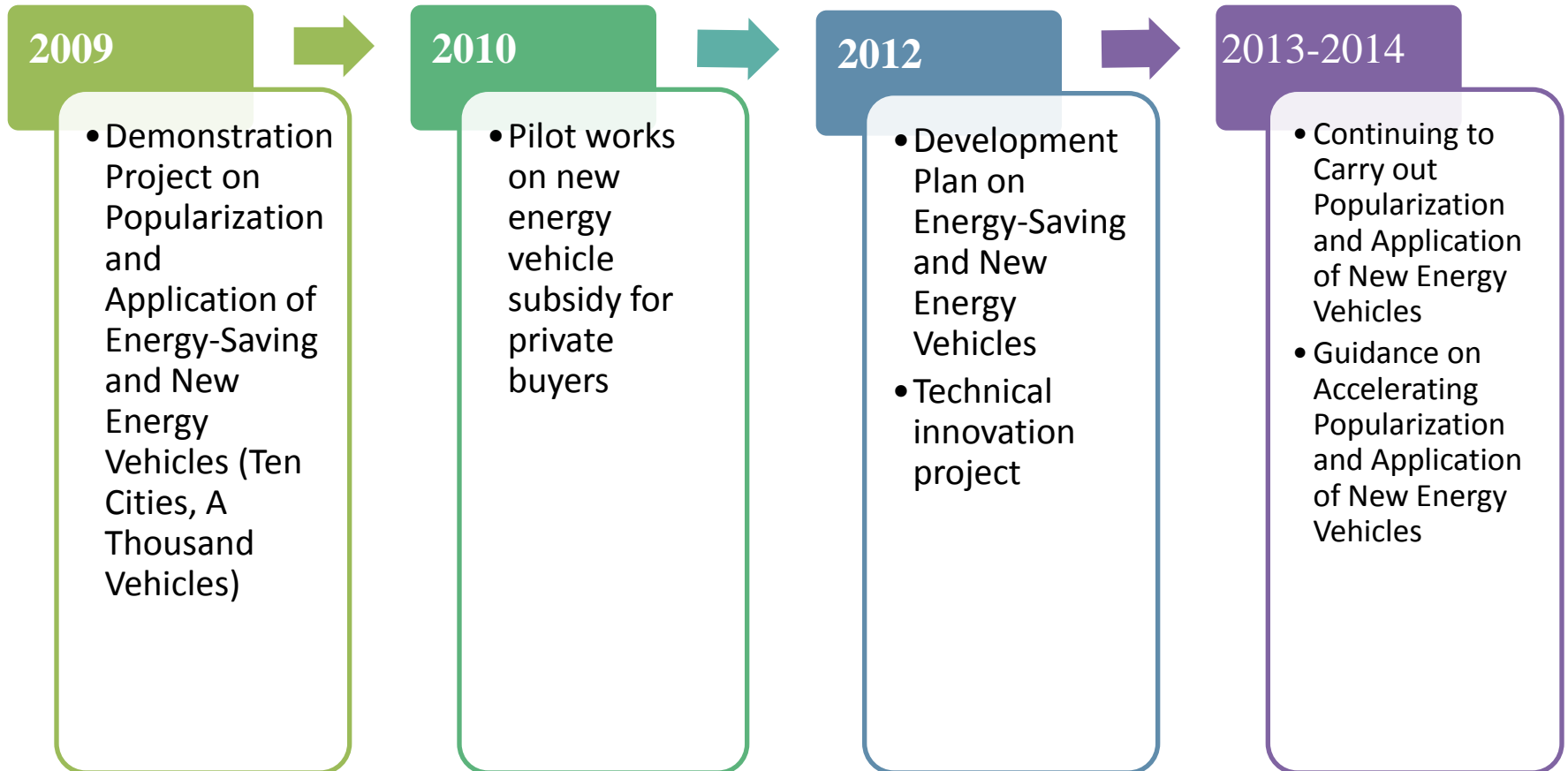

Current Situation of Chinese New Energy Vehicles and Related Policies

China Association of Automobile Manufacturers
(CAAM)
Oct. 2014, Seoul

Part I: Related Policies on New Energy Vehicles

1. Development of New Energy Vehicles----Policies & Measures

A series of policies issued and implemented since 2009



2. Objectives of “Development Plan”

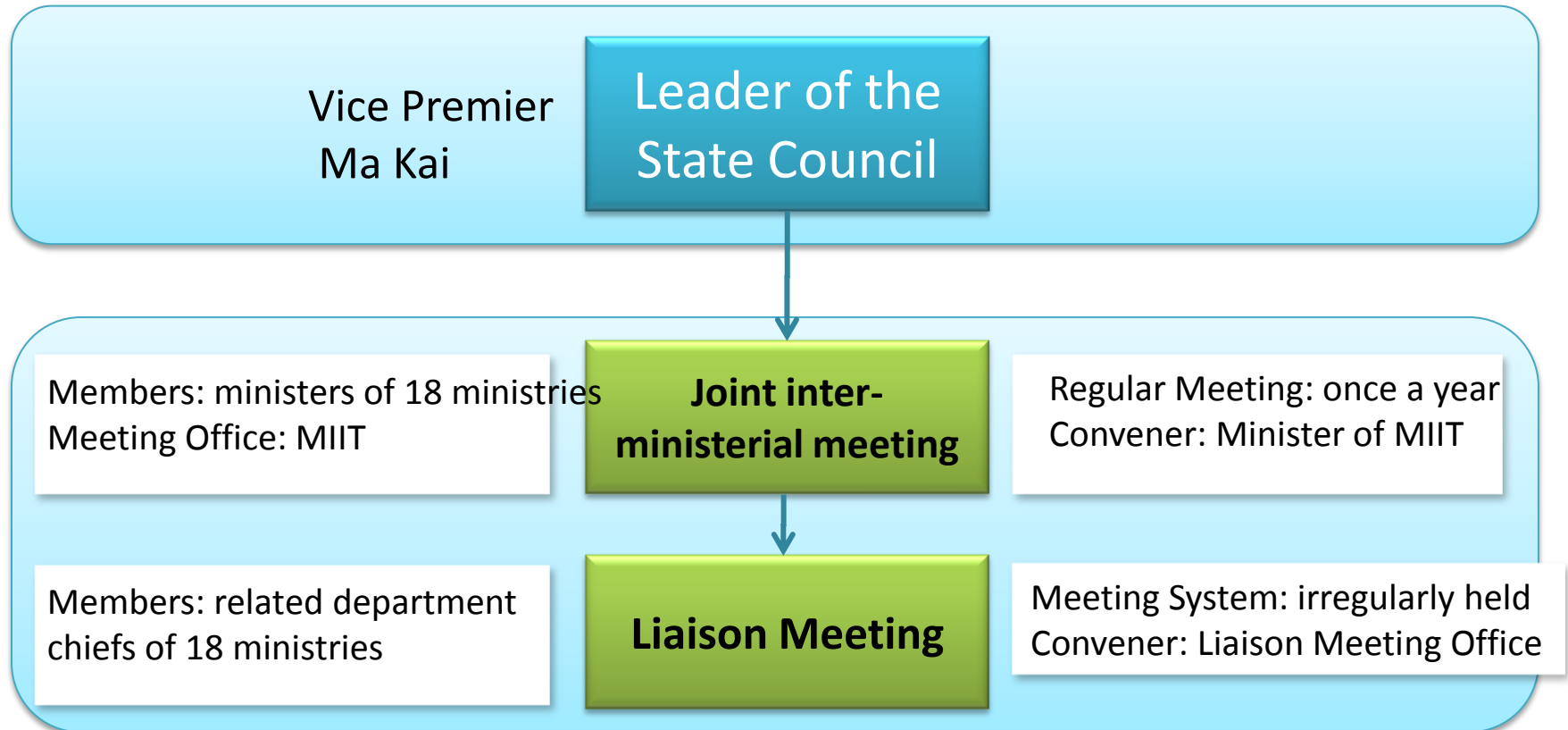
Energy-Saving Vehicles

- 2015----Average Fuel Consumption for PC decrease to 6.9 L/100km; such figure for energy-saving vehicles should be below 5.9 L/100km
- 2020---- Average Fuel Consumption for PC decrease to 5.0 L/100km; such figure for energy-saving vehicles should be below 4.5 L/100km

New Energy Vehicles

- 2015----the accumulative sales and production of BEVs and PHEVs reach 500 thousand units
- 2020----the production capacity of BEVs and PHEVs will be 2 million units; and the accumulative sales and production should be over 5 million units
- Fuel Cell Vehicles should keep same pace with international development

3. Development of New Energy Vehicles----National Promoting System



4. “Guidance”

- ◆ Accelerating construction of charging facilities
- ◆ Leading innovation on business patterns
- ◆ Promoting popularization and application in the field of public services
- ◆ Further improving policy system
- ◆ Resolutely eradicating local protectionism
- ◆ Strengthening technical innovation and product quality supervision
- ◆ Further enhancing organizing and leadership

5. Progress of Policies & Measures

◆ In Recent

- ✓ Encouragement policies on construction of charging facilities
- ✓ Implementation of “New Energy Vehicle List on Exemption from Vehicle and Vessel Tax”
- ✓ Coordinating the implementation of exemption new energy vehicles from vehicle and vessel tax
- ✓ Improving subsidy policies on new energy buses and hybrid buses
- ✓ Continuing to carry out industrial technical innovation project
- ✓ Formulating access policy for new energy vehicle enterprises

◆ Mid-term

- ✓ Improving fuel consumption management system
- ✓ Research and implementation of long-effect mechanism to promote the development of energy-saving and new energy vehicles

Part II: Current Situation and Future Expectation of New Energy Vehicles

1. Preliminary demonstration laid the foundation

Since the implementation of policies like “Ten Cities, A Thousand Vehicles” and encouraging private purchase of new energy vehicles, the accumulative popularizing energy-saving and new energy vehicles reached **27.4 thousand units** in the 25 pilot cities by the end of 2012, of which:

1. Public Service: 23,000
2. Private Purchase: 4400

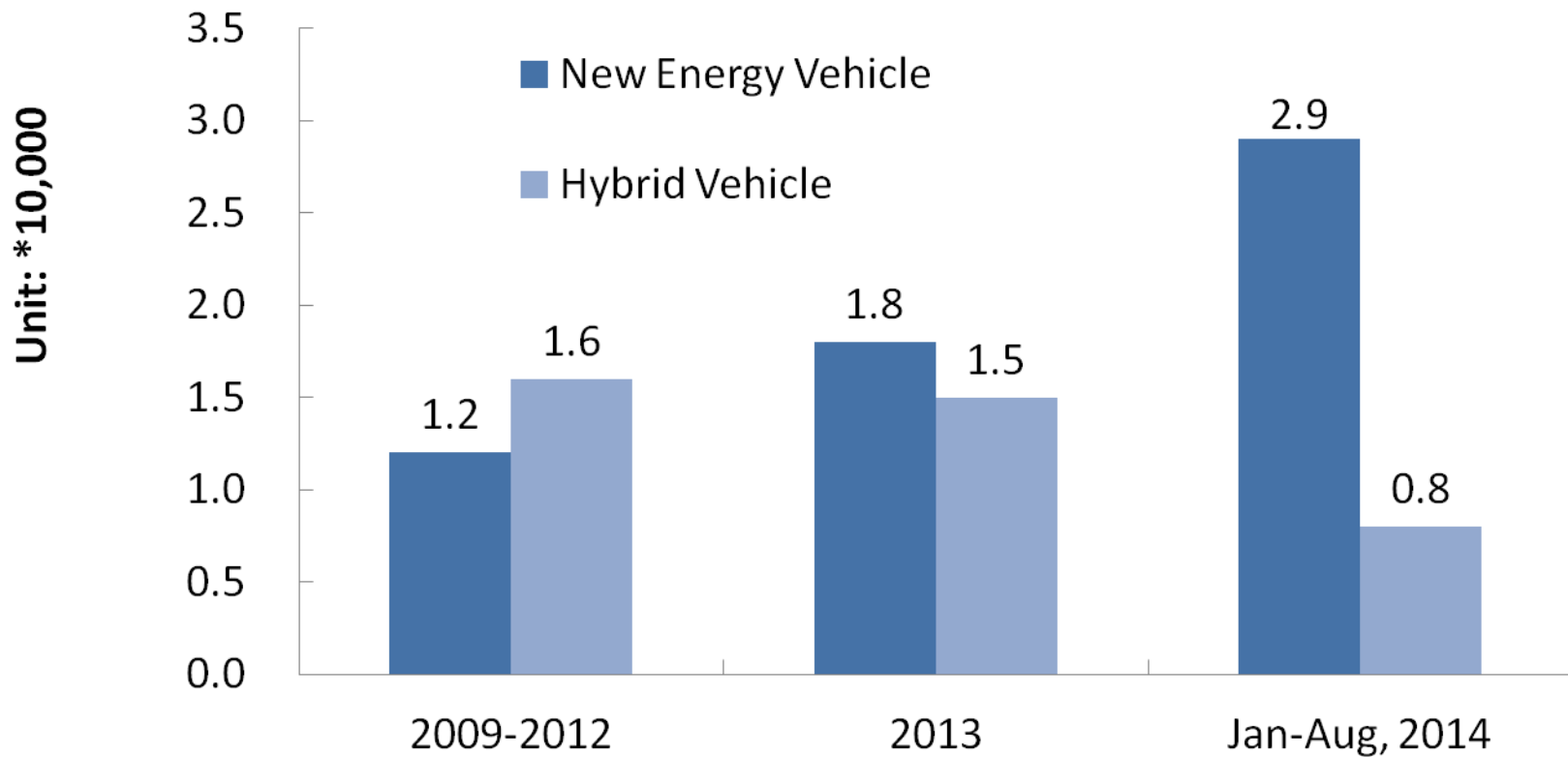
2. New popularizing targets settled by each region

On Sept 2013, a new round of popularizing policies on new energy vehicles had been launched. There were altogether **40** popularizing regions, covering **86** cities, planning popularizing over **330 thousand** new energy vehicles.

City	Targets		
	Year	Accumulative Amount	Type
Beijing	2017	200000	Private: 17 0000 Bus, taxi & public service: 30000
			Official car: 5000 Non-official: 195000
Shanghai	2015	13000	5000 private purchase new energy vehicles
Guangzhou	2014	10000	Public: 6000 Private: 4000
Shenzhen	2015	35000	Public: 19000 Private: 16000
Hangzhou	2015	6000	1650 for public-used, 4350 for private lease and others

3. New phase policies began to take effects

Sales of Energy-Saving and New Energy Vehicles



4. Mainstream models on sale



ROEWE E50



BAIC E150



JAC iEV4



ROEWE 550



BYD e6



BYD Qin

5. Technical level constantly improved

- ◆ For **hybrid** buses, the fuel saving ratio can reach 30%, while such figure for hybrid cars could be 20.5-30%;
- ◆ For **BEV** buses, the longest operation mileage for single bus can be over 180,000km, and the power durability of BEV cars can be over 150,000km;
- ◆ For **fuel cell** cars, the hydrogen consumption could be 0.912kg/100km, and such figure for fuel cell buses in actual operation would be 9.8kg/100km.

5. Technical level constantly improved

- ◆ **Constructing public performance testing platform for components and electric vehicles;**
- ◆ **Research & implementation of electric vehicle related standards, covering power battery, whole vehicle and fundamental facilities(75 standards in force, 77 standards under implementation or revision); participating in formulating international charging interface standard;**
- ◆ **Carrying out performance benchmarking test on typical electric models to build national electric vehicle data platform.**

6. A complete industrial chain basically formed

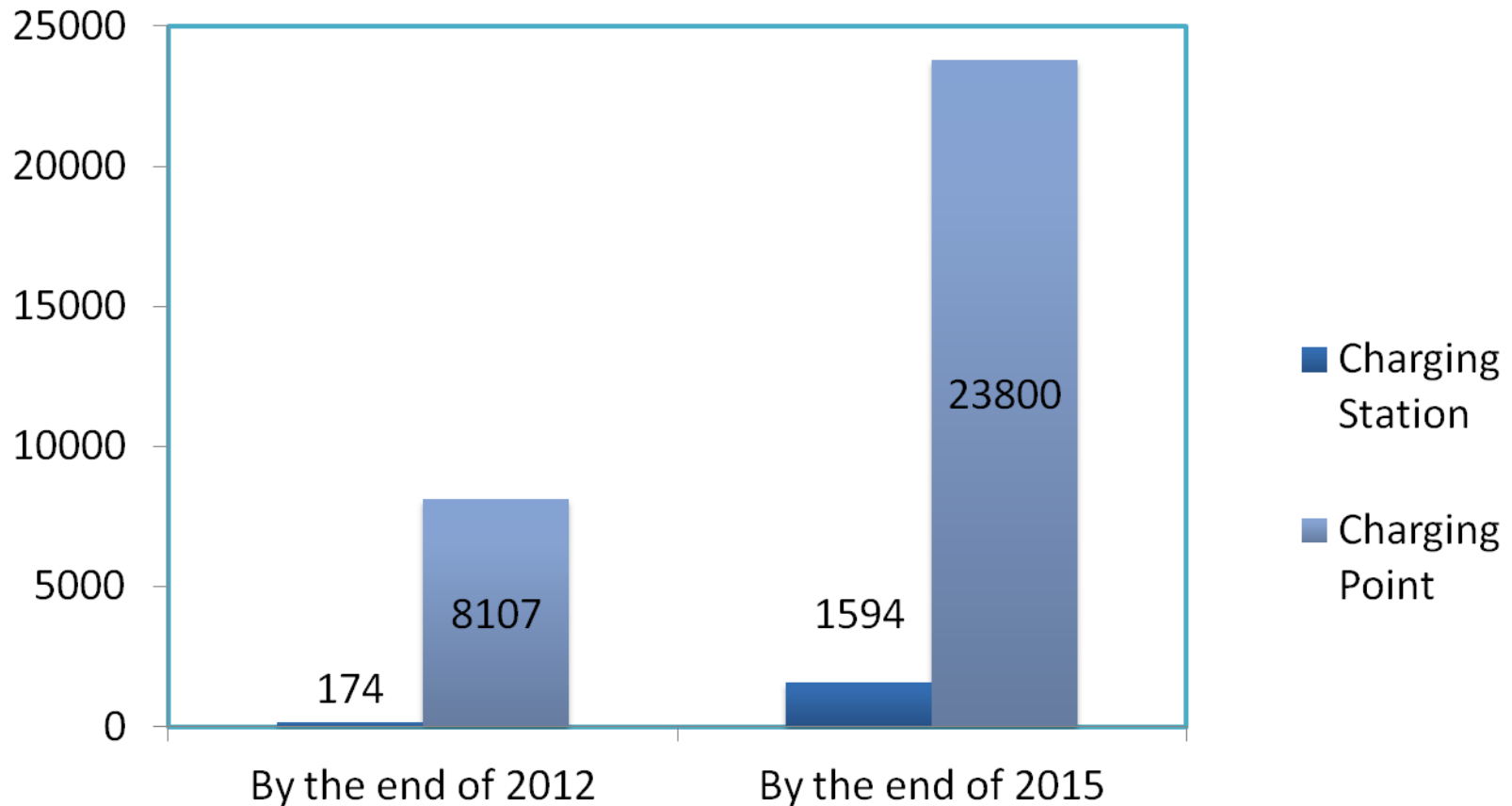
Cultivating a batch of backbone enterprises producing key components

Power Battery	Lishen, Wanxiang, BYD, BAK
Driving Motor	JJE, Shanghai Edrive, CSR Times, Broad-Ocean



7. Charging facilities developed steadily

According to the plan of pilot cities, by 2015, 1549 charging stations will be built, as well as 238000 charging points.



8. China hopes to become the most important new energy vehicle market in 2025

Unit: 10000

