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HARMONY AUTO

和諧汽車

China Harmony Auto Holding Limited

中國和諧汽車控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 03836)

**VOLUNTARY ANNOUNCEMENT
INCREASE IN SHAREHOLDINGS OF THE COMPANY BY
CONTROLLING SHAREHOLDER
AND THE MANAGEMENT**

This announcement is made by China Harmony Auto Holding Limited (the “**Company**”) on a voluntary basis.

The Director (“**Director**”) or the Board of Directors (the “**Board**”) of the Company has received a notice from the controlling shareholder, Eagle Seeker Company Limited (“**Eagle Seeker**”) (a corporation held by a trust whereas Mr. Feng Changge, an executive director and chairman of the Board (“**Mr. Feng**”) is a founder) that on November 13, 2020, Mr. Feng acquired a total of 680,000 shares of the Company through on-market purchases for a total consideration of approximately HKD2,312,204 (the average purchase price per share is about HKD3.4003).

Up to the closure of market on November 16, 2020, Eagle Seeker has held 706,531,660 shares in the Company, representing approximately 44.87% of the issued share capital of the Company subsequent to the aforesaid acquisition. In the current year, the controlling shareholder Mr. Feng has increased his shareholding in the Company 26 times via Eagle Seeker and himself through on-market purchases, totaling 17,265,500 shares of the Company. It shows that the controlling shareholder has confidence in the Company’s operation status and future development, and will not rule out the possibility to further increase the shareholding in the Company.

The Board of the Company also announces, in the face of false, fabricated and groundless claims by short sellers, on November 13 and 16, 2020, the Company's management successively used its proprietary funds to purchase 200,000 shares of the Company (“**shares**”) through on-market purchases at an average price of HKD3.455 per share, representing 0.013% of the issued share capital of the Company. The management of the Company is also full of confidence in the current operation status and future development of the Company. They voluntarily increase their shares and stand together with all investors to refute the malicious accusations of short sellers with practical actions.

To the extent of the information available to the Company and the knowledge of the Board, the Company has maintained an adequate public float for the issued shares after the increase in shareholdings of the Company by controlling shareholder and the management and on the date of this announcement.

By Order of the Board
China Harmony Auto Holding Limited
FENG Changge
Chairman and Executive Director

Hong Kong, November 16, 2020

As of the date of this announcement, the executive directors of the Company are Mr. Feng Changge, Mr. Liu Fenglei, Ms. Ma Lintao, Ms. Feng Guo and Mr. Han Yang; and the independent non-executive directors of the Company are Mr. Wang Nengguang, Mr. Lau Kwok Fan and Mr. Chan Ying Lung.