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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)

POSITIVE PROFIT ALERT

This announcement is made by China Harmony Auto Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the "**Board**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on a preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2021 and the information currently available to the Board, excluding non-recurring profit and loss items, the unaudited profit attributable to owners of the parent of the Group for the six months ended 30 June 2021 is expected to increase by not less than 60% as compared to the six months ended 30 June 2020.

Such expected increase is primarily attributable to:

(1) The increase in new car sales volume for luxury and ultra-luxury brand;

(2) A solid growth in the Group's after-sales business;

(3) The increase in income from the Group's value-added services which was driven by increased commissions from automobile financing and other service commissions; and

(4) Performance release of new 4S stores acquired or opened in last year.

The information contained in this announcement is only based on the Company's preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2021 and the information currently available to the Board, which have not been reviewed by the audit committee of the Company or the Company's auditors and are subject to possible adjustments. Therefore, the actual results of the Group for the six months ended 30 June 2021 may differ from the information contained in this announcement. Shareholders and potential investors should refer to the interim results announcement of the Company for the six months ended 30 June 2021, which is expected to be published before the end of August 2021, for details of the performance of the Group. Shareholders and potential investors are advised to exercise caution when dealing in the Company's securities.

By order of the Board
China Harmony Auto Holding Limited
LIU Fenglei
CEO and Executive Director

Hong Kong, 15 July 2021

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.