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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)

**ANNOUNCEMENT ON THE RESIGNATION OF
EXECUTIVE DIRECTOR AND THE APPOINTMENT OF
NEW EXECUTIVE DIRECTOR**

The board of directors (the “**Board**”) of China Harmony Auto Holding Limited (the “**Company**” or “**Harmony Auto**”) announces that Mr. Han Yang has resigned as the executive director of the Company with effect from January 5, 2022 to devote more time and energy to his personal affairs.

Mr. Han Yang confirms that there is no disagreement between him and the Board and senior management, and that there is no other matter that needs to be brought to the attention of the shareholders of the Company and the Stock Exchange of Hong Kong Limited (the “**HKEX**”) regarding his resignation.

The Board is pleased to announce that Mr. Cheng Junqiang, the Company’s chief operating officer, has been appointed as the executive director of the Company with effect from January 5, 2022. The following is biographies of Mr. Cheng Junqiang:

Mr. Cheng Junqiang, aged 42, majored in automotive application engineering, has nearly 20 years of experience in the automotive industry since graduation. Mr. Cheng Junqiang joined the Company in 2007 and served as the general manager of Zhengzhou Yuanda Lexus Automobile Sales & Services Co., Ltd. (鄭州遠達雷克薩斯汽車銷售服務有限公司) and the brand director of Lexus under Harmony Auto. Prior to his appointment as an executive director, Mr. Cheng Junqiang served as the chief operating officer of the Company and managed all 4S stores of luxury and ultra-luxury brands under Harmony Auto. Mr. Cheng

Junqiang is responsible for the overall operation of the brand. He adheres to the concept of refined management, devotes himself to improving the execution capability and detailed operation level of the stores he managed, continues to deepen the development of automobile industry, and creates a 4S store operation system with the “harmony” characteristic.

Except as disclosed above, Mr. Cheng Junqiang has, at the date of this announcement, (i) no other roles in the Company and other members of the Group; (ii) no other major appointments or professional qualifications; (iii) no other relationship with any director, senior management, or principal or controlling shareholder of the Company; (iv) interests in the 800,000 underlying shares in respect of the share options granted by the Company (as defined in Section XV of the Securities and Futures Ordinance).

The Company has entered into a service contract with Mr. Cheng Junqiang in relation to his appointment as an executive director of the Company for a period of three years from January 5, 2022 onwards, which may be terminated by either party served with not less than one month's written notice, provided that the retirement by rotation and re-election shall be conducted in accordance with the Company's Articles of Association and the Rules Governing the Listing of Securities on HKEX (“**Listing Rules**”). Pursuant to the service contract, Mr. Cheng Junqiang will not receive any director's fee, but he will receive salary and other remuneration in the total amount of RMB0.4 million for serving as the chief operating officer of the Company, which was determined with reference to his experience, responsibilities and the prevailing market conditions. Mr. Cheng Junqiang may also be entitled to a bonus for each financial year of the Company which is at the discretion of the Board and determined by reference to his individual performance and the Group's performance for the financial year concerned.

Except as disclosed above, (i) there are no other matters pertaining to the appointment of Mr. Cheng Junqiang which need to be brought to the attention of the shareholders of the Company; and (ii) there is no other information which is required to be disclosed in accordance with Rules 13.51(2)(h) to (v) of the Listing Rules.

The Board would like to take this opportunity to express its gratitude to Mr. Han Yang for his contributions to the Board and warm welcome to Mr. Cheng Junqiang to join the Board of the Company.

By Order of the Board
China Harmony Auto Holding Limited
Feng Changge
Chairman

Hong Kong, January 5, 2022

As of the date of this announcement, the board of directors of the Company comprises (i) five executive directors, namely Mr. Feng Changge, Mr. Feng Shaolun, Mr. Liu Fenglei, Ms. Ma Lintao, and Mr. Cheng Junqiang; and (ii) three independent non-executive directors, namely Mr. Wang Nengguang, Mr. Lau Kwok Fan and Mr. Chan Ying Lung.