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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)

CONNECTED TRANSACTION

TERMINATION OF THE VOTING PROXY AGREEMENT IN RELATION TO ICAR GROUP LIMITED AND CLOSURE OF REGISTER OF MEMBERS

TERMINATION OF THE VOTING PROXY AGREEMENT

Reference is made to the announcements of the Company dated September 1, 2025 and December 12, 2025 in relation to, among other things, the Voting Proxy Agreement entered into between EGL and the Company, pursuant to which EGL agreed to irrevocably authorize the Company to exercise on behalf of EGL all of its rights as a shareholder of iCar in respect of 40.5% shareholding interest in iCar held by EGL, which included, among all, to attend the shareholders' meeting, exercise shareholders' voting rights, and nominate, designate and appoint key management personnel of iCar. As a result of the Voting Proxy Agreement, the Company is entitled to exercise 90.0001% of the voting rights in iCar, and the financial results of iCar have been consolidated into the consolidated financial statements of the Group, with iCar as a subsidiary of the Company.

On November 9, 2026, the Company and EGL entered into the Termination Deed, pursuant to which the parties have conditionally agreed to terminate the Voting Proxy Agreement. The Termination Deed will take effect upon being approved by the Independent Shareholders at the EGM. Upon the Termination Deed becoming effective, iCar will cease to be accounted for as a subsidiary of the Company and will instead be accounted for as an associate of the Company using equity method.

LISTING RULES IMPLICATIONS

As at the date of this announcement, EGL is wholly-owned by Mr. Feng, who is the Chairman of the Board, an executive Director and a controlling Shareholder interested in 708,364,660 Shares, representing approximately 46.50% of the total issued share capital of the Company, and is therefore a connected person of the Company as defined under the Listing Rules. The entering into of the Termination Deed constitutes a connected transaction under Chapter 14A of the Listing Rules which is subject to the reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

An Independent Board Committee has been formed to advise the Independent Shareholders on the Termination Deed. The Independent Financial Adviser has also been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Termination Deed.

EGM

The EGM will be held for the Independent Shareholders to consider and approve the Termination Deed by way of ordinary resolution(s).

A circular containing, among other things, (i) further details of the Termination Deed; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Termination Deed; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Termination Deed; and (iv) a notice to convene the EGM, will be despatched to the Shareholders in due course.

BACKGROUND

Reference is made to the announcements of the Company dated September 1, 2025 and December 12, 2025 in relation to, among other things, the Voting Proxy Agreement entered into between EGL and the Company, pursuant to which EGL agreed to irrevocably authorize the Company to exercise on behalf of EGL all of its rights as a shareholder of iCar in respect of 40.5% shareholding interest in iCar held by EGL, which included, among all, to attend the shareholders' meeting, exercise shareholders' voting rights, and nominate, designate and appoint key management personnel of iCar. As a result of the Voting Proxy Agreement, the Company is entitled to exercise 90.0001% of the voting rights in iCar, and the financial results of iCar have been consolidated into the consolidated financial statements of the Group, with iCar as a subsidiary of the Company.

On November 9, 2026, the Company and EGL entered into the Termination Deed, pursuant to which the parties have conditionally agreed to terminate the Voting Proxy Agreement. The Termination Deed will take effect upon being approved by the Independent Shareholders at the EGM. Upon the Termination Deed becoming effective, iCar will cease to be accounted for as a subsidiary of the Company and will instead be accounted for as an associate of the Company using equity method.

THE TERMINATION DEED

Date: November 9, 2026

Parties: The Company

EGL

EGL is wholly-owned by Mr. Feng, who is the Chairman of the Board, an executive Director and a controlling Shareholder interested in 708,364,660 Shares, representing approximately 46.50% of the total issued share capital of the Company as at the date of this announcement. EGL is therefore a connected person of the Company as defined under the Listing Rules.

Subject matter

Pursuant to the Termination Deed, the Company and EGL agree to terminate the Voting Proxy Agreement, and all rights, powers and authorities granted to the Company by EGL under the Voting Proxy Agreement shall be terminated with effect from the date upon the Termination Deed being approved by the Independent Shareholders at the EGM. The Company will no longer be entitled to exercise on behalf of EGL all of EGL's rights as a shareholder of iCar in respect of 40.5% shareholding interest in iCar held by EGL, which included, among all, to attend the shareholders' meeting, exercise shareholders' voting rights, and nominate, designate and appoint key management personnel of iCar upon the Termination Deed becoming effective. As at the date of this announcement, there is no side arrangement or acting-in-concert arrangement over the voting rights in iCar held by EGL and Golden Link Worldwide Limited.

The shareholding structure and voting rights controlled by the respective shareholders of iCar before and immediately after the Termination Deed becoming effective are as follows:

	As of the date of this announcement		Immediately after the Termination Deed becoming effective	
Shareholder	**Shareholding interests held by the shareholders**	**Voting rights exercised by the shareholders**	**Shareholding interests held by the shareholders**	**Voting rights exercised by the shareholders**
The Company	49.5001%	90.0001%	49.5001%	49.5001%
EGL	40.5000%	—	40.5000%	40.5000%
Golden Link Worldwide Limited	9.9999%	9.9999%	9.9999%	9.9999%
Total	**100%**	**100%**	**100%**	**100%**

The effectiveness of the Termination Deed is conditional on the Termination Deed being approved by the Independent Shareholders at the EGM. Upon the Termination Deed becoming effective, iCar will cease to be accounted for as a subsidiary of the Company and will instead be accounted for as an associate of the Company using equity method. Based on the facts and circumstances currently available and assuming that all other factors remain unchanged, such accounting treatment of the Company's remaining interest in iCar upon the Termination Deed becoming effective has been reviewed and agreed by the Group's auditor, Beijing Xinghua Caplegend CPA Limited.

REASONS FOR ENTERING INTO THE TERMINATION DEED

Rapid development of the iCar Group and its ability to operate independently of the Group

When the Voting Proxy Agreement was entered into in September 2025, the iCar Group was at an early stage of development. At that time, the Company and EGL, being the major shareholders of iCar, considered it beneficial for the iCar Group to be managed as a consolidated subsidiary of the Group. Over the past year, however, the iCar Group's business has grown faster than expected and continues to demonstrate strong growth momentum. Alongside such growth, the iCar Group has built up its own operating infrastructure and no longer relies on the Group for its back-office functions. When the

Voting Proxy Agreement was entered into, the iCar Group's business management, human resources and administrative processes were operated on the Group's IT system, and its back-office functions relied on the Group. Since then, (i) an independent IT system developed for the iCar Group was launched in January 2026, and all employees of the iCar Group completed the migration to such system in February 2026; (ii) the iCar Group has established its own human resources, internal control and management teams, and all of its employees are directly employed by members of the iCar Group; and (iii) the iCar Group adopted an independent financial information system, which went live in July 2026. With its own management team and independent finance, human resources, internal control and accounting functions, the iCar Group is capable of operating independently of the Group and is well positioned to further expand its global footprint on a standalone basis.

Allowing the Group to concentrate its resources on its core luxury vehicle business in Chinese Mainland

The iCar Group's rapid global expansion will require substantial ongoing capital expenditure and investment, including for the opening of new stores and the build-out of its overseas sales and service network. The iCar Group's funding requirements would compete with, and are likely to consume, financial resources that would otherwise be available to support the Group's luxury vehicle operations in Chinese Mainland. As disclosed in the Company's interim report for the six months ended June 30, 2026, the Group remains focused on maintaining its market leadership in the luxury vehicle segment in Chinese Mainland. Accordingly, the Company intends to direct its management focus and resources to its core luxury vehicle dealership business in Chinese Mainland, and considers that the deconsolidation of the iCar Group would preserve the financial health of the Group and enable it to streamline its business and concentrate its resources on its existing core operations, which is in the interests of the Company and the Shareholders as a whole.

Following the Termination Deed becoming effective, the Group will continue to focus on its core business of the sale of luxury and ultra-luxury vehicles, while making such strategic adjustments as may be necessary to adapt to the prevailing economic and market conditions. Over the next 12 months, the Group intends to proactively optimise its cost structure, strengthen its existing businesses and continue to explore business diversification. In respect of outlets which incur high operating costs but have delivered unsatisfactory operating efficiency, the Group will proactively close, merge or convert such underperforming outlets, so as to optimise its outlet network, alleviate operating pressure and further enhance its profitability. The Group will also continue to adopt a selective brand strategy based on prudent assessment and stringent cost control, concentrating its resources on brands and regions in which it has a competitive advantage.

Facilitating the iCar Group's future equity financing to meet its funding needs for future business development

The iCar Group intends to continue to expand its business in Hong Kong and overseas markets. In addition, building on its global sales network, the iCar Group intends to extend its business beyond new vehicle sales into automotive ecosystem services and high-value consumer technology products, which can be broadly categorised into: (i) after-sales services and ancillary businesses, such as maintenance, insurance, financing and vehicle accessories; (ii) new energy enablement businesses, such as ultra-fast charging and battery recycling and cascade utilisation; and (iii) new consumer technology businesses, such as the overseas sales and distribution of consumer robots manufactured in Chinese Mainland. Having considered, among others, the scale of the iCar Group's expected capital requirements and it would be difficult for the iCar Group to obtain further debt financing without guarantees or other collateral provided by the Company given that the banking facilities of the iCar Group have historically been granted on the basis of guarantees provided by the Company, the board of directors of iCar considers that bank borrowings would not be a suitable or sustainable source of funding for the iCar Group's long-term development. Accordingly, iCar is currently considering conducting further equity financing. The Company also considers further equity financing by iCar to be in the interests of the Company and the Shareholders as a whole, given the funding needs of the iCar Group and the financial constraints faced by the Group in procuring further debt financing. The Company believes that investors would regard the deconsolidation of iCar Group as beneficial to maintaining its competitiveness and independence, enabling it to pursue a distinct strategic direction tailored to the dynamics of the global NEV sector while enhancing its attractiveness to the capital markets, and thereby facilitating iCar's future equity financing activities. Following the deconsolidation of iCar Group from the Company's financial results, iCar Group will be able to present a clearer standalone profile to the capital markets and will be better positioned to conduct future equity financings independently to support its global expansion, without relying on the Group's financial resources.

Given that the Company will remain the single largest shareholder of iCar, holding a 49.5001% equity interest in iCar immediately upon the Termination Deed becoming effective, the Company will continue to retain its economic interest in iCar through dividend distributions (if any) and any potential appreciation in the value of its shareholding interest. As iCar will be accounted for as an associate of the Company using equity method, the Group will continue to share the results of iCar Group in its consolidated financial statements. Accordingly, the Company will continue to benefit from iCar's future value growth and business expansion. The termination of the Voting Proxy Agreement does not involve any transfer of shares in iCar. The Company will continue to participate in the decision making of iCar through the exercise of its own voting rights. As of the date of this announcement, the board of directors of iCar consists of five directors, two of whom were nominated by EGL, two of whom were nominated by the Company and one of whom was nominated by Golden Link Worldwide Limited. There will be no change to such director nomination rights upon the Termination Deed becoming effective, and the Company will continue to be entitled to nominate two directors to the board of directors of iCar.

In addition, iCar Group's global NEV business differs fundamentally from the Group's luxury vehicle dealership business in the PRC in terms of business characteristics, market positioning, geographic focus, growth profile and risk exposure. The Group is primarily exposed to PRC-related risks, including domestic consumer demand, luxury vehicle taxation and dealership regulation, whereas iCar Group is subject to risks across multiple jurisdictions, such as local laws and regulations, foreign exchange fluctuations and local licensing requirements. Following the termination of the Voting Proxy Agreement, each of the Group and iCar Group will be able to present a clearer and more focused business profile to the market.

Based on the above, the Directors (excluding the independent non-executive Directors) are of the view that although the entering into of the Termination Deed is not in the ordinary and usual course of business of the Group, the terms of the Termination Deed were arrived at after arm's length negotiations between the Company and EGL, are fair and reasonable, on normal commercial terms, and in the interests of the Company and the Shareholders as a whole. The Company is of the view that the termination of the Voting Proxy Agreement will not have any material adverse effect on the financial condition and operations of the Group, and there is no transfer of economic value from the Group as a result of the Termination Deed.

INFORMATION ON THE PARTIES

The Company

The Company is an investment holding company and is incorporated in the Cayman Islands and the Shares are listed on the Main Board of the Stock Exchange (stock code: 3836). As a leading pure luxury and ultra-luxury car dealer group in the PRC, the Group focuses on the main business of selling luxury and ultra-luxury cars, and owns advantageous brands such as Rolls-Royce, Bentley, Ferrari, BMW and Lexus.

EGL

EGL is an investment holding company which is wholly-owned by Mr. Feng, who is the Chairman of the Board, an executive Director and a controlling Shareholder interested in 708,364,660 Shares, representing approximately 46.50% of the total issued share capital of the Company.

iCar

iCar, being a subsidiary of the Company as at the date of this announcement, is one of the world's largest sales and operation service platforms for NEVs outside Chinese Mainland in terms of the number of countries covered and the number of stores. As at September 30, 2026, iCar Group has established a presence in 28 countries outside Chinese Mainland with a total of 155 stores. From the opening of its first store in October 2023 to September 30, 2026, iCar Group has sold over 110,000 new vehicles overseas. Through strategic synergies with leading Chinese NEV manufacturers, iCar Group has established a global operation and service network integrating brand exhibition, new vehicle sales, delivery, after-sales services, financing and insurance, customer operations and the NEV ecosystem. iCar Group is also continuing to expand into robotics and other high-value consumer hardware, with the aim of building a global service platform for high-value consumer technology products.

LISTING RULES IMPLICATIONS

As at the date of this announcement, EGL is wholly-owned by Mr. Feng, who is the Chairman of the Board, an executive Director and a controlling Shareholder interested in 708,364,660 Shares, representing approximately 46.50% of the total issued share capital of the Company, and is therefore a connected person of the Company as defined under the Listing Rules. The entering into of the Termination Deed constitutes a connected transaction under Chapter 14A of the Listing Rules which is subject to the reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

An Independent Board Committee has been formed to advise the Independent Shareholders on the Termination Deed. The Independent Financial Adviser has also been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Termination Deed.

Save for Mr. Feng, Ms. Ma Lintao (an executive Director and the spouse of Mr. Feng) and Mr. Feng Shaolun (an executive Director and the son of Mr. Feng), all of the Directors have confirmed that none of them has any material interest in the Termination Deed. Accordingly, Mr. Feng, Ms. Ma Lintao and Mr. Feng Shaolun have abstained from voting on the Board resolution approving the Termination Deed, and no other Director is required to abstain from voting at the meeting of the Board to approve the Termination Deed.

EGM

The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Termination Deed by way of ordinary resolution(s). A circular containing, among other things, (i) further details of the Termination Deed; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Termination Deed; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Termination Deed; and (iv) a notice to convene the EGM, will be despatched to the Shareholders in due course.

Mr. Feng has a material interest in the Termination Deed. Accordingly, Mr. Feng and his close associate(s) shall abstain from voting in respect of the resolution(s) approving the Termination Deed at the EGM. As at the date of this announcement, Mr. Feng through his close associate, Eagle Seeker, was interested or deemed to be interested in aggregate interests of 708,364,660 Shares, representing approximately 46.50% of the issued share capital of the Company. Pursuant to the Listing Rules, Eagle Seeker, being a close associate of Mr. Feng, is required to and will abstain from voting on the ordinary resolution(s) in respect of the Termination Deed at the EGM. Save for the above, to the best knowledge, information and belief of the Directors, having made all reasonable enquiries, there is no other Shareholder having a material interest in the Termination Deed and will be required to abstain from voting at the EGM.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, November 27, 2026 to Wednesday, December 2, 2026 (both days inclusive) for determining the entitlement of the Shareholders to attend and vote at the EGM, during which period no transfer of Shares will be effected. The record date will be Wednesday, December 2, 2026. Shareholders are reminded that in order to be eligible to attend and vote at the EGM, all duly completed and signed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Thursday, November 26, 2026.

DEFINITIONS

In this announcement, the following expressions shall have the meanings ascribed to them below unless the context requires otherwise:

"Board"	the board of Directors
"close associate(s)"	has the meaning ascribed to it under the Listing Rules
"Company"	China Harmony Auto Holding Limited (stock code: 3836), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"controlling Shareholder"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company, from time to time
"Eagle Seeker"	Eagle Seeker Company Limited, which, as at the date of this announcement, is held indirectly by JTC Private Trust (Cayman) Limited through Eagle Pioneer Company Limited
"EGL"	Epower Global Limited, a company incorporated in the British Virgin Islands with limited liability and wholly-owned by Mr. Feng
"EGM"	the extraordinary general meeting of the Company to be convened by the Company on Wednesday, December 2, 2026 to consider and approve, among other things, the Termination Deed
"Group"	the Company and its subsidiaries, from time to time
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"iCar"	iCar Group Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands, which is held as to approximately 49.5001% by the Company, 40.5000% by EGL and 9.9999% by Golden Link Worldwide Limited as at the date of this announcement
"iCar Group"	iCar and its subsidiaries
"Independent Board Committee"	an independent committee of the Board, comprising all the independent non-executive Directors, established to advise the Independent Shareholders in respect of the Termination Deed
"Independent Financial Adviser"	Rainbow Capital (HK) Limited, a corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Termination Deed
"Independent Shareholder(s)"	the Shareholders other than Mr. Feng and his close associates and any other Shareholder who is interested or involved in the transaction contemplated under the Termination Deed
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mr. Feng"	Mr. Feng Changge (馮長革), the Chairman of the Board, an executive Director and a controlling Shareholder interested in 708,364,660 Shares, representing approximately 46.50% of the total issued share capital of the Company as at the date of this announcement
"NEVs"	new energy vehicles
"PRC"	the People's Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan

"Share(s)"	ordinary share(s) of HK$0.01 each in the issued capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"Termination Deed"	the termination deed dated November 9, 2026 entered into between the Company and EGL in relation to the termination of the Voting Proxy Agreement
"Voting Proxy Agreement"	the voting proxy agreement dated September 1, 2025 entered into between the Company and EGL
"%"	per cent.

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

Zhengzhou, PRC, November 9, 2026

As of the date of this announcement, the executive Directors of the Company are Mr. Feng Changge, Mr. Feng Shaolun, Mr. Liu Fenglei, Ms. Ma Lintao and Mr. Cheng Junqiang; and the independent non-executive Directors of the Company are Mr. Wang Nengguang, Mr. Leung Oi Kin and Mr. Sung Ka Woon.