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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)

PROFIT WARNING

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

The board of directors (the “**Directors**”) of the Company (the “**Board**”) hereby informs the shareholders of the Company (the “**Shareholders**”) and potential investors that, for the six months ended June 30, 2022 (the “**Period**”), due to the decrease in the fair value of equity interests in the FMC (BYTON) project, in which the Group invested, on a prudent basis, it is expected that a full provision will be made to its carrying value of approximately RMB1,217.0 million, resulting in a net book loss for the Group of not more than RMB920.0 million.

Based on the assessment of the unaudited consolidated management accounts of the Group for the six months ended June 30, 2022, excluding the impact of the above non-recurring item for the Period, the Group’s net profit is estimated to be not less than RMB300.0 million, representing a year-on-year decrease of approximately 25%. The Board considers that the Group has an overall sound financial position, adequate operating cash flows and healthy gearing ratio. The Group will continue to maintain a prudent and stable financial strategy.

As the Company is still in the course of preparing the interim financial results for the Period, the information contained in this announcement is only based on the preliminary review of the unaudited consolidated management accounts of the Group for the Period and the information currently available to the Board, which have not been finalised nor reviewed by the auditors or the audit committee of the Company, and thus may be subject to adjustments.

In summary, the Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, August 23, 2022

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. Lau Kwok Fan and Mr. Chan Ying Lung.