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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
CLARIFICATION ANNOUNCEMENT
ALL SHARES
OF THE CONTROLLING SHAREHOLDER ARE NOT PLEDGED**

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

In the face of malicious accusations by Bonitas Research LLC (“**Bonitas**”) which suspected the controlling shareholder of the Company, Mr. Feng Changge (“**Mr. Feng**”) to have an undisclosed share pledge, after verification with the depository institution which the controlling shareholder deposits all his shares, the Director (“**Director**”) or the Board of Directors (the “**Board**”) proved that as of November 13, 2020, all the shares deposited by the controlling shareholder in the depository institution had no pledge at all. There is no so-called undisclosed share pledge by the controlling shareholder.

Up to the closure of market on November 16, 2020, in the current year, the controlling shareholder Mr. Feng has increased his shareholding in the Company 26 times via Eagle Seeker Company Limited (a corporation held by a trust whereas Mr. Feng is a founder) 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 relevant accusations in the report released by Bonitas are wrong, fabricated and groundless. The Company once again strongly condemns Bonitas' suspected collusion with a third party to suppress the Company, damage the Company's reputation and obtain improper interests. At the same time, the Company has entrusted lawyers to carry out legal actions against Bonitas and will hold the institution to be accountable in accordance with the law.

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.