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(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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 the preliminary review of the latest available unaudited financial data and consolidated management accounts of the Group, the Company is expected to record a loss attributable to the owners of the Company no more than RMB635.0 million for the year ended 31 December 2025 ("**Year 2025**"), as compared to a loss attributable to the owners of the Company of approximately RMB291.1 million for the year ended 31 December 2024 ("**Year 2024**").

Based on the information currently available, the Board considers that the loss attributable to owners of the Company for Year 2025 is primarily due to, among other factors, the following:

(i) a one-off loss on written off of approximately RMB176.9 million on property, plant and equipment due to the store adjustment to improve sales efficiency and profitability in a bid to optimise the existing sales network;

(ii) a non-recurring provision of impairment loss of approximately RMB155.5 million on property, plant and equipment and approximately RMB32.7 million on right of use asset for certain underperforming cash-generating units, after the Group performed an impairment assessment on a prudent basis;

(iii) an expected credit loss of approximately RMB57.2 million on the advances to and interest receivable from an independent aftersales company, Henan Hexie Automobile Aftersales Services Co., Ltd.* (河南和諧汽車維修服務有限公司) arising from its default in repaying the outstanding debts; and

(iv) a non-cash fair value loss of approximately RMB42.1 million on convertible notes issued by a subsidiary of the Company. The loss arose from the remeasurement of the financial liability at fair value in accordance with the relevant accounting standards.

Based on the assessment of the unaudited consolidated management accounts of the Group for Year 2025, the Group's revenue from sale of automobiles and others increased by over 30% during Year 2025. This growth was mainly attributable to the strategic expansion of the Group's international sales network, which broadened market reach and boosted sales volume.

As the Company is still in the course of preparing the annual results for Year 2025, the information contained in this announcement is solely based on the Group's latest unaudited consolidated financial statements for Year 2025 currently available to the Board, which have not been finalised by the auditors and have been not reviewed by the audit committee of the Company, and thus may be subject to adjustments. The Group's financial results for Year 2025 will be disclosed in the annual results announcement of the Company, which is expected to be published on 31 March 2026.

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
LIU Fenglei
CEO and Executive Director

Zhengzhou, PRC, 27 March 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. Lau Kwok Fan and Mr. Sung Ka Woon.

* *for identification purpose only*