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HARMONY AUTO

和諧汽車

China Harmony New Energy Auto Holding Limited

中國和諧新能源汽車控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 03836)

POSITIVE PROFIT ALERT

This announcement is made by the board of directors (the “**Board**”) of China Harmony New Energy Auto Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board wishes to inform the shareholders of the Company (the “**Shareholder(s)**”) and potential investors that based on a preliminary assessment of the currently available financial information and the unaudited consolidated management accounts of the Group, it is estimated that, as compared with the corresponding period of last year, the Group will turn losses into gains for the year ended December 31, 2017 (the “**Reporting Period**”), and the expected profit attributable to owners of the parent for the Reporting Period will not be lower than approximately RMB1 billion (equivalent to approximately HK\$1.215 billion), primarily attributable to: (i) the continuing growth of the revenue generated from the Group’s 4S outlets businesses; (ii) a decrease recorded in the Group’s expenses; and (iii) an investment gain brought by a significant increase in the equity interest held by the Group in smart electric vehicles company Future Mobility Corporation Limited.

The information contained in this announcement is only a preliminary assessment by the management of the Company based on the unaudited consolidated management accounts of the Group and other information currently available to the Group, which has not been audited or reviewed by the Company's auditors. The Company is still in the process of preparing the consolidated financial statements of the Group during the Reporting Period, which may be subject to adjustments. Details on the financial information during the Reporting Period shall be subject to the disclosure of the annual results announcement (which is expected to be published by the end of March 2018) of the Company.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

Unless otherwise specified in this announcement and for the purpose of illustration only, RMB is translated into HK\$ at the rate of RMB1 = HK\$1.215. No representation is made that any amounts in RMB have been or could be converted at the above rate or at any other rates or at all.

By Order of the Board
China Harmony New Energy Auto Holding Limited
Feng Changge
Chairman and Executive Director

Zhengzhou, the People's Republic of China
January 19, 2018

As at the date of this announcement, the executive directors of the Company are Mr. Feng Changge, Mr. Liu Fenglei, Ms. Feng Guo and Ms. Ma Lintao; the non-executive director of the Company is Mr. Fan Qihui; and the independent non-executive directors of the Company are Mr. Xiao Changnian, Mr. Liu Zhangmin and Mr. Xue Guoping.