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TIANHE CHEMICALS GROUP LIMITED

天合化工集團有限公司

(Incorporated in the British Virgin Islands with limited liability)

(Stock Code: 1619)

KEY FINDINGS OF THE FORENSIC INVESTIGATION

As at the date of this announcement, the independent forensic specialist, Grant Thornton submitted its final draft of Forensic Investigation Report to the Company's Resumption Committee.

As stated in the final draft of Forensic Investigation Report, Grant Thornton verified DPF-TH's 2014 construction-in-progress account, VAT payable account, a major bank's bank account and Key Customer sales account through various means of independent investigation, evidence gathering and enquiry. Grant Thornton also arrived at a comprehensive understanding of the events based on its independent investigation, enquiry procedures and evidence collected. Subject to the uncertainties over the investigation findings due to certain investigation limitations, the conclusions of Grant Thornton's forensic investigation are summarised as follows:

- (1) Grant Thornton did not find any material discrepancies between each of DPF-TH's 2014 construction-in-progress account, VAT payable account, a major bank's bank account and Key Customer sales account and evidence collected by Grant Thornton;
- (2) Grant Thornton did not find any material discrepancies between the statements made by interviewees and the results of its independent investigation and evidence collected; and
- (3) based on the outcome of Grant Thornton's independent investigation and interviews with relevant persons, Grant Thornton did not find any evidence showing that the management of the Group was involved in any fraudulent accounting or irregularities.

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements published by the Company on 14 August, 17 September and 3 November 2015, and 16 March and 30 August 2016. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the abovementioned announcements.

As at the date of this announcement, the independent forensic specialist, Grant Thornton, submitted its final draft of Forensic Investigation Report to the Company's Resumption Committee. The Board hereby summarises the background and objective of the forensic investigation, the key investigation procedures, the key investigation findings, the conclusions of the investigation and the limitations set forth in the final draft of Forensic Investigation Report, as follows.

BACKGROUND AND OBJECTIVE OF THE FORENSIC INVESTIGATION

In March 2015, the Company was informed by its Previous Auditor that the short attack of September 2014 had heightened its risk sensitivity. In response to this, the Previous Auditor strengthened its audit procedures. As the Previous Auditor's audit work was not complete and the Audit Issues had yet to be further ascertained, the Company was unable to publish its 2014 Annual Results in accordance with the requirements of the Listing Rules and trading in the Company's shares on the Stock Exchange was suspended with effect from 26 March 2015.

Audit Issues

Between March and September 2015, the Previous Auditor explained to the Board and the Audit Committee in its letters the following two audit issues:

1. a comparison of the Company's Statements and the Previous Auditor's version of the VAT invoice verification results statements revealed that there were discrepancies in their content and format. During the examination, the Previous Auditor discovered that the VAT invoices from the Vendor could not be verified through Nanjing Tax Bureau's publicly accessible verification website. Also, some of the Relevant Invoices contained VAT invoice serial numbers which were shown on the tax bureau's online system to be VAT invoices that appeared to be allocated to a company other than the Vendor; and
2. the authenticity of the transactions involving the sale of Equipment for CIP by the Vendor to DPF-TH in 2014.

Furthermore, the Previous Auditor indicated that it had encountered obstacles in the following three audit procedures, and as a result, its concerns had not been fully addressed:

1. random on-site inspection of the Equipment for CIP accompanied by a qualified chemical engineering expert;
2. visiting the Bank to observe on the spot printing by bank personnel of bank statements for DPF-TH's relevant bank account for 2014, and obtaining such bank statements on the spot; and
3. visiting the Key Customer to interview relevant personnel.

Objective of the Forensic Investigation

As stated in previous announcements, based on the Resumption Conditions imposed by the Stock Exchange on the Company in respect of the resumption of trading of the Company's shares on the Stock Exchange, the Company was required to appoint an independent forensic specialist acceptable to the Stock Exchange to conduct a forensic investigation. Subsequently, the Company appointed Grant Thornton as the independent forensic specialist to conduct a forensic investigation. The objective of the forensic investigation is to ascertain, through an investigation of the Audit Issues, whether there were any fraudulent accounting or irregularities.

MAJOR INVESTIGATION PROCEDURES CONDUCTED DURING THE FORENSIC INVESTIGATION

The major investigation procedures conducted by Grant Thornton in the course of the forensic investigation include, but are not limited to, the following:

1. conducting one or more interviews with a total of more than 20 persons consisting of directors of the Group and current senior management, all the personnel of the finance department and relevant personnel of other departments of DPF-TH;
2. conducting interviews with relevant personnel of the Audit Committee, the independent investigation firms engaged during the Audit Committee's investigation, the Previous Auditor and ZHONGHUI ANDA, thereby learning about the findings made during the investigation or audit work carried out by the Audit Committee, the Previous Auditor and ZHONGHUI ANDA;
3. obtaining, directly or through a third-party information firm, from the relevant Administration for Industry and Commerce, and checking relevant filings of DPF-TH, the Vendor and other relevant entities;
4. visiting both Yi County Tax Bureau and Nanjing Tax Bureau to make enquiries with the relevant officials and obtaining written confirmation from Yi County Tax Bureau;
5. obtaining the Target Computers of the Group's relevant directors, management, finance personnel, sales personnel and procurement personnel, and reviewing their e-mails and electronic documents;
6. visiting the Vendor's plant and conducting a confirmation procedure in respect of the sums of the equipment procurement contracts executed by DPF-TH and the Vendor, the amounts paid and the accounts payable balances in 2013 and 2014;
7. accompanied by qualified chemical engineering experts, conducting an on-site inspection of the Equipment for CIP and the production facilities located in other DPF-TH production bases;

8. with respect to the installation process of the Equipment for CIP, conducting an interview with the person in charge of the Equipment Installer and conducting a confirmation procedure;
9. conducting a confirmation procedure in respect of DPF-TH's 2014 sales amount to the Key Customer and its accounts receivable balance, and conducting an interview with relevant personnel of the Key Customer's parent company (one of the largest central state-owned enterprise group);
10. visiting the relevant branch and sub-branch of the Bank located in Jinzhou and conducting a confirmation procedure in respect of the bank balances of DPF-TH's bank account on the 12 monthly statement dates in 2014 and on the 2015 balance sheet date;
11. conducting a verification and analytical review of DPF-TH's 2014 construction-in-progress account, VAT payable account, a major bank's bank account and Key Customer sales account and related vouchers provided by management of the Group; and
12. during the forensic investigation, chemical engineering experts and a PRC Legal Expert were engaged to issue expert opinion on chemical industry technology and relevant PRC legal issues, respectively; Grant Thornton has interviewed the said experts and reviewed the respective expert report and the legal opinion.

KEY FINDINGS OF THE FORENSIC INVESTIGATION

Validity of the Company's Statements and confirmation of the payment of taxes

Grant Thornton obtained the Yi County Tax Bureau Confirmation, which states DPF-TH's total input tax amount and the number of verified VAT invoices for the relevant months and confirms that the aforementioned records have always existed from their respective verification dates. Grant Thornton also witnessed, on the spot, the printing of the VAT invoice verification results statements for the relevant months by an officer of Yi County Tax Bureau. Grant Thornton did not find any material discrepancies between the copy of the Company's Statements, the Yi County Tax Bureau Confirmation and the aforementioned statements printed on the spot. Furthermore, in respect of the VAT invoices appearing on the Company's Statements but not appearing on the Previous Auditor's version of the statements, Grant Thornton checked the relevant accounting vouchers and the originals of the VAT invoices, and did not find any material discrepancies.

Based on the findings from Grant Thornton's interviews with the Previous Auditor, C&F and the officer of Yi County Tax Bureau, the Previous Auditor stated that its version of the statements was obtained from Yi County Tax Bureau without being accompanied by an employee of the Company and without presentation of the Company's authorisation or any supporting documents. C&F stated that it had attempted to have the list in question printed at Yi County Tax Bureau using the means described by the Previous Auditor, but did not succeed. With respect to this matter, the officer of Yi County Tax Bureau confirmed, during the interview, that the printing of such VAT invoice confirmation results statements by third parties requires an accompanying employee of the Company, and that the content of the Previous Auditor's version of the statements was inconsistent with Yi County Tax Bureau's records. Furthermore, the officer indicated that, due to certain technical reasons such as upgrading of the tax bureau's system, there could be differences in the format of the printed verification results statements, but as to whether there could be differences in the formats of verification results statements printed at the same time, he was unable to provide a definite answer.

The Yi County Tax Bureau Confirmation also confirmed DPF-TH's 2014 total domestic sales revenue, amount of VAT paid and amount of enterprise income tax paid. On this basis, Grant Thornton conducted a verification and review procedure in respect of DPF-TH's VAT payable account and checked the breakdown in VAT payable account, 2014 VAT returns and bank tax payment receipts and other relevant records, and did not find any material discrepancies between DPF-TH's accounting records and the Yi County Tax Bureau Confirmation.

E-discovery procedures

Grant Thornton obtained the Target Computers of the Group's relevant directors, management, finance personnel, sales personnel and procurement personnel, upon which it conducted a forensic examination. Following a check of the Company's asset numbers, hard disk serial numbers and user logon records and an examination of the installation dates of the operating system on the Target Computers, Grant Thornton confirmed that all the Target Computers were regularly used and that, with the exception of one person's company computer hard disk which was replaced due to a failure, the other five computers that had been examined in the previous e-discovery procedures were identical to the ones that were examined in the current e-discovery procedures. Furthermore, it did not find any evidence that the hard disks of the other Target Computers had been replaced.

In the course of its examination, Grant Thornton created mirror images of the hard disks of the Target Computers and attempted to restore the deleted files. It did not find any hidden sectors or encrypted file containers. Grant Thornton conducted a file type analysis of all files, including the existing files and the successfully restored files, and subjected the graphic files to optical character recognition to convert them to searchable text. Grant Thornton conducted key word searches consisting of 30 key words on all of the files, and did not find any irregularities. Grant Thornton analysed the computer programs ran on the Target Computers and discovered that an application, which allegedly has the function of copying and completely deleting files, had previously been run on the computers of three non-managerial employees. With the exception of the foregoing, Grant Thornton did not find any other unusual file operation records. In this regard, management of the Group explained that it was not aware of the relevant application. As the Company has not prohibited the usage of external applications by employees, management did not know why the application in question was ran on the computers of some non-managerial employees. Furthermore, Grant Thornton analysed the data of recycle bins, recently saved or retrieved files and recently saved or retrieved files of office software, and did not find any suspected traces of deliberate deletion of relevant documents.

Authenticity of dedicated VAT invoices issued by the Vendor

Grant Thornton carried out an online verification of the relevant VAT invoices issued to DPF-TH by the Vendor in 2014 through Nanjing Tax Bureau's publicly accessible verification website and the search results were found to be "non-existent". Grant Thornton subsequently proceeded to the service hall of Nanjing Tax Bureau and made enquiries to the personnel on duty. During the enquiry, the personnel stated that the tax bureau data management platform indicated that the invoice numbers of the relevant VAT invoices did not exist and that there were no records showing that, during the corresponding period, the Vendor had issued VAT invoices to DPF-TH.

With respect to the aforementioned response of the officer in the service hall of Nanjing Tax Bureau, C&F and the Previous Auditor confirmed to Grant Thornton during their interviews that they had previously visited Nanjing Tax Bureau and spoke to relevant officers of the regulations department and the relevant officers, in the presence of C&F and the Previous Auditor, were able to successfully verify, on the spot, certain VAT invoices issued by the Vendor. ZHONGHUI ANDA also informed Grant Thornton that, in the course of its audit work, it had met with officers of Nanjing Tax Bureau's regulations department, during which, with the assistance of the officers of the regulations department, it had verified the validity of certain VAT invoices issued by the Vendor and the confidential matters thereon which resulted in such invoices not being able to be verified on the publicly accessible verification website. Accordingly, Grant Thornton asked the Company and the Vendor to arrange for its visit of Nanjing Tax Bureau. However, the Vendor stated that, as it had already arranged meetings on broadly similar topics for C&F, the Previous Auditor and ZHONGHUI ANDA, it could not arrange for Grant Thornton to interview relevant officials of Nanjing Tax Bureau again. Furthermore, according to the legal opinion issued by the PRC Legal Expert, verification on official website (i.e. publicly accessible verification website) is not the sole and conclusive method of, and standard for, verifying the authenticity and validity of VAT invoices, and given that the VAT invoices for the Equipment for CIP transactions have genuinely and validly been accepted by Yi County Tax Bureau as input tax credit vouchers, failure to verify such VAT invoices through the official website does not necessarily cast doubt on the authenticity and validity of the invoices.

Grant Thornton randomly selected several VAT invoices from the relevant invoice statements provided by DPF-TH and, when interviewing the Vendor, verified such invoices against the originals of the relevant invoice stubs kept by the Vendor. Based on this sampling procedure, Grant Thornton did not find any material discrepancies between the originals of the VAT invoice stubs held by the Vendor and the records on the Company's VAT invoice list.

Authenticity and fair value of the Equipment for CIP

Based on DPF-TH's 2014 construction-in-progress account, Grant Thornton checked the relevant procurement evidence of the Equipment for CIP, and when interviewing the relevant personnel of the Vendor, it checked the same against a random sampling of the sales delivery notes. Through its review of the procurement evidence of Equipment for CIP, Grant Thornton found that the total amount of the procurement contracts of Equipment for CIP, the Vendor's delivery notes and relevant invoices were consistent. Furthermore, Grant Thornton conducted a confirmation procedure with the Vendor, the Equipment Installer and the feasibility report issuing institutions in respect of (1) the 2014 procurement amounts and trade balance between DPF-TH and the Vendor and the related VAT invoice list, (2) the construction period and progress of the equipment installation works and (3) the recommended investment amount and the issue dates of the feasibility reports respectively. By virtue of the foregoing investigation procedures, Grant Thornton did not find any material discrepancies between the investigation findings and the Company's accounting records.

Accompanied by qualified chemical engineering experts, Grant Thornton randomly selected two tanks to conduct an on the spot tank opening inspection. Subsequently, following evaluation of the tank opening procedure by the Company's representative and the Vendor's technician who were present at the site and after several hours of technical preparation, Grant Thornton's staff and the chemical engineering experts entered into the tanks and conducted an independent visual inspection of the equipment therein. Subsequently, through on the spot inspection and by reviewing relevant equipment procurement contracts and design drawings, the chemical engineering experts confirmed that the corresponding production equipment was duly installed in the two tanks. Grant Thornton interviewed the chemical engineering expert and reviewed the expert report issued. Additionally, Grant Thornton also interviewed the Appraiser that appraised the equipment during the Audit Committee's investigation, reviewed the appraisal report issued and conducted a confirmation procedure in respect of the independence of the Appraiser's team. The conclusions and the valuation of the equipment stated in the reports issued by the chemical engineering experts and the Appraiser were consistent. By virtue of the foregoing investigation procedures, Grant Thornton did not find any material irregularities.

Matters relating to the bank statements

Grant Thornton visited the sub-branch of the Bank and observed the Company's employee obtaining a complete set of bank statements for 2014 from an officer of the Bank, but was unable to observe the Bank officer printing the bank statements on the spot. Grant Thornton also conducted a bank confirmation procedure in respect of the bank balances of the bank accounts on the 12 monthly statement dates in 2014 and the 2015 balance sheet date. The confirmation results were consistent with DPF-TH's bank account records and its 2014 bank statements, and there were no material discrepancies. Furthermore, Grant Thornton conducted a verification procedure in respect of the bank-in and payment records and related accounting vouchers, and did not find any material discrepancies between the bank-in and payment records and DPF-TH's accounting records or any materially irregular receipt or payment transactions.

Grant Thornton also conducted an analysis of the figures on the bank statements provided by DFP-TH, including examining the total number of transactions indicated in the statements, reviewing the dates of the payments, examining the reference numbers of the payment items on the statements and the reference numbers for the receipt items on the bank-in slips, and did not find any irregularities. Furthermore, Grant Thornton checked the Key Customer sales records against the bank receipt records and did not find any material discrepancies between the Key Customer sales records and the receipt records.

Sales to the Key Customer

Grant Thornton conducted a confirmation procedure in respect of the sales amount and trade balance in 2014 between DPF-TH and the Key Customer, and, based on DPF-TH's Key Customer account, Grant Thornton checked the relevant VAT sales invoices, delivery notes, sales orders and bank receipts. Grant Thornton did not find any material discrepancies between its investigation findings and DPF-TH's accounting records.

Grant Thornton also selected several VAT invoices issued by DPF-TH to its Key Customer and witnessed the tax bureau official verifying the same through the tax terminal of the VAT anti-forgery tax control system at Yi County Tax Bureau on the spot. Based on this sampling procedure, Grant Thornton did not find any material discrepancies between the VAT sales invoices issued to the Key Customer by the Group and the records of the tax terminal of the VAT anti-forgery tax control system.

Furthermore, Grant Thornton interviewed relevant personnel of the Key Customer's parent company (the aforementioned central state-owned enterprise group) and confirmed the business collaboration period between the Key Customer and the Company, the major products that the Key Customer procures and that the Key Customer has internal guidelines in place which do not allow its employees to have meetings that are not of a business nature with third parties.

CONCLUSIONS OF THE FORENSIC INVESTIGATION

Through various means of independent investigation, evidence gathering work and enquiry procedures, Grant Thornton verified DFP-TH's 2014 construction-in-progress account, VAT payable account, a major bank's bank accounts and Key Customer sales account. Grant Thornton also arrived at a comprehensive understanding of the events based on its independent investigation, enquiry procedures and evidence collected. Subject to the uncertainties over the investigation findings due to certain investigation limitations, the conclusions of Grant Thornton's forensic investigation are summarised as follows:

- (1) Grant Thornton did not find any material discrepancies between each of DFP-TH's 2014 construction-in-progress account, VAT payable account, a major bank's bank account and Key Customer sales account and evidence collected by Grant Thornton;
- (2) Grant Thornton did not find any material discrepancies between the statements made by interviewees and its results of independent investigation and evidence collected; and
- (3) based on the outcome of Grant Thornton's independent investigation and interviews with relevant persons, Grant Thornton did not find any evidence showing that the management of the Group was involved in any fraudulent accounting or irregularities.

LIMITATIONS OF GRANT THORNTON'S INVESTIGATION

Given the limitations on the scope of the investigation or the existence of objective factors beyond the control of the Group, Grant Thornton encountered limitations during its investigation in the following aspects:

1. it was unable to interview certain relevant mid-level and base level employees of the Group who were no longer with the Group or on leave for certain reasons;
2. it was unable to interview certain relevant officers who had left Yi County Tax Bureau and who were not authorised by Yi County Tax Bureau to be interviewed;
3. it was unable to verify the VAT invoices for the Equipment for CIP transaction through Nanjing Tax Bureau's publicly accessible verification website;
4. the Vendor did not fully cooperate with its requests of interviewing relevant officers of Nanjing Tax Bureau and verifying relevant receipt records for the amounts of Equipment for CIP at the Vendor's receiving bank;
5. during the investigation, the PRC Legal Expert reviewed a number of documents issued by the state confidentiality authority and issued a legal opinion in respect of matters relating to confidential information. As no interview could be conducted with the state confidentiality authority, it was unable to directly obtain the state confidentiality authority's confirmation of the confidential information and relevant details;
6. it was unable to observe on the spot printing of the bank statements by bank personnel and perform on the spot verification of the bank payment slips relating to the Equipment for CIP;
7. it was unable to verify DPF-TH's data on the enterprise terminal of the VAT anti-forgery tax control system. In light of the foregoing limitation, Grant Thornton, when interviewing the officer of Yi County Tax Bureau, conducted an on the spot verification of a sampling of the VAT invoices issued to the Key Customer by DPF-TH through the tax terminal of the VAT anti-forgery tax control system;
8. it conducted a confirmation procedure in respect of the Key Customer and obtained a confirmation letter, and interviewed relevant personnel of the Key Customer's parent company (the aforementioned central state-owned enterprise group). However, according to the confirmation letter from the Key Customer and the representation of relevant personnel of its parent company made during the interview with Grant Thornton, the internal guidelines of the Key Customer do not allow employees to accept invitations for interviews from third parties;
9. it was unable to obtain a complete list of DFP-TH's computer assets, a list of the e-mail addresses of DFP-TH's employees or the configuration file for DFP-TH's employee e-mails. Furthermore, as the Company has not prohibited the usage of external applications by employees, the management of the Group was not aware of why the computers of some non-managerial employees had run an application which could copy or completely delete files; and

10. the limitations imposed by the basic assumptions of the investigation: as Grant Thornton was not granted a mandatory investigative power, accordingly, the investigation relied on the voluntary cooperation of the Group and the relevant persons. Therefore, Grant Thornton was not able to fully verify the statements made by interviewees during the investigation and cannot fully assure that the results of the investigation are free of any errors or omissions.

The Company will proactively communicate with the Stock Exchange regarding the final draft of Forensic Investigation Report, and will make further announcement on any material developments in relation to the fulfilment of the forensic investigation condition and other Resumption Conditions as and when appropriate.

SUSPENSION OF TRADING

At the request of the Company, trading in the Company's shares on the Stock Exchange has been suspended with effect from 1:01 p.m. on 26 March 2015 and will continue to be suspended until further notice.

DEFINITIONS

In this announcement, the following terms shall have the following meanings unless the context requires otherwise:

“2014 Annual Results”	the audited results for the year ended 31 December 2014
“Appraiser”	Shenyang International Engineering Consulting Center (瀋陽國際工程諮詢中心), an independent chemical equipment consulting firm
“Audit Committee”	the Company's audit committee as established in May 2014, consisting of Dr. Loke Yu and Mr. Xu Xiaodong (independent non-executive directors) and Mr. Homer Sun (non-executive director)
“Audit Issues”	certain material audit findings yet to be ascertained by the Previous Auditor during the audit for the 2014 Annual Results
“Bank”	a large state-owned bank in China, one of the principal bankers of the Company
“Board”	the board of the directors of the Company
“C&F”	Commerce & Finance Law Offices

“Company”	Tianhe Chemicals Group Limited, a company incorporated in the British Virgin Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Company’s Statements”	the Company’s version of the VAT invoice verification results statements
“DPF-TH”	Jinzhou DPF-TH Chemicals Co., Ltd., a wholly owned subsidiary of the Company
“Equipment for CIP”	equipment for the construction-in-progress purchased by DPF-TH from the Vendor in 2014
“Equipment Installer”	the equipment installation contractor engaged by the Vendor for the installation of the Equipment for CIP
“Forensic Investigation Report”	the forensic investigation report prepared by Grant Thornton
“Grant Thornton”	Grant Thornton Advisory Services Limited
“Group”	the Company and its subsidiaries
“Key Customer”	a subsidiary of one of the largest central state-owned enterprise, one of the Company’s major customers
“Listing Rules”	The Rules Governing the Listing of Securities of the Stock Exchange
“Nanjing Tax Bureau”	the principal state tax authority of the Vendor
“PRC Legal Expert”	a well-known PRC law firm engaged for issuing legal opinion on relevant PRC legal issues
“Previous Auditor”	Deloitte Touche Tohmatsu, resigned as the Company’s auditor with effect from 16 September 2015
“Relevant Invoices”	the VAT invoices issued by the Vendor to DPF-TH for the sale of Equipment for CIP
“Resumption Committee”	the Company’s resumption committee as established in November 2015, consisting of six directors of the Company, namely Mr. Wei Xuan and Mr. Joseph Lee (executive directors), Mr. Home Sun (non-executive director), and Dr. Loke Yu, Mr. Chan Kin Sang and Mr. Xu Xiaodong (independent non-executive directors)
“Resumption Conditions”	the four resumption conditions imposed by the Stock Exchange as announced by the Company on 3 November 2015

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Computers”	the company computers of 13 relevant personnel of the Group, upon which forensic examinations were conducted
“VAT”	value-added tax
“Vendor”	the supplier of certain equipment for the construction-in-progress based in Nanjing, Jiangsu Province
“Yi County Tax Bureau”	the principal state tax authority of DPF-TH
“Yi County Tax Bureau Confirmation”	a written letter of confirmation issued from Yi County Tax Bureau to Grant Thornton during the forensic investigation
“ZHONGHUI ANDA”	ZHONGHUI ANDA CPA Limited, the Company’s auditor

By order of the Board of Directors
Tianhe Chemicals Group Limited
WEI Qi
Chairman and Executive Director

Hong Kong, 31 October 2016

As at the date of this announcement, the Board of Directors of the Company comprises WEI Qi, WEI Xuan, Joseph LEE and JIANG Po, as executive Directors; Homer SUN, as non-executive Director; LOKE Yu (alias LOKE Hoi Lam), CHAN Kin Sang and XU Xiaodong, as independent non-executive Directors.