



November 13, 2020

**Attn:** Deloitte Touche Tohmatsu PRC offices Beijing, Changsha, Chengdu, Chongqing, Dalian, Guangzhou, Hangzhou, Harbin, Hefei, Hong Kong, Jinan, Macau, Nanjing, Ningbo, Sanya, Shanghai, Shenyang, Shenzhen, Suzhou, Tianjin, Wuhan, Xiamen, Xi'an, Zhengzhou

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Dear Deloitte Touche Tohmatsu ("Deloitte"),

On November 12, 2020 we released our Report on China Harmony Auto Holding Limited (HKEX: 3836) ("Harmony" or the "Company") which highlighted our findings that Harmony fabricated its financial statements and Chairman Feng stole RMB 1 billion from unsuspecting minority investors.

In July 2020 Harmony engaged Deloitte to audit its ongoing financial statements after two other auditors resigned earlier this year.

We suspect both resignations were related to the write-off of the RMB 1 billion loan to Chairman Feng.

Chinese filings revealed that Harmony's Chairman Feng defrauded investors and fabricated Harmony's purported cash balance and profitability.

All you need to do is review Harmony's ownership percentage of alleged associates to know that Harmony has fabricated its profits.

You can also review cash transfers to confirm Harmony never received RMB 192 million in cash from selling shares of Henan Hexie Automobile Aftersales Services Co., Ltd. (河南和諧汽車維修服務有限公司, "IAC") in April 2019.

Our Report is freely available for anyone interested to download from our website in both Chinese and English. We will send this letter and a copy of our Report to your offices for your convenience.

If you have any questions, please do not hesitate to ask. We are more than happy to answer any questions you have about our findings.

We hope you do the right thing for yourselves and walk away.

Kind Regards,

Matthew Wiechert  
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