

**TIANHE CHEMICALS GROUP LTD:  
THIS COMPANY SHOULD BE A WINNER OVER TIME**

Considering that this company is only 22 years old, it seems, on paper at least, to have become a phenomenal success story.

The Company is Tianhe Chemicals Group Ltd (), a chemical manufacturer, headquartered in the People's Republic of China (PRC), which specialises in manufacturing lubricant additives and fluorochemicals.

Tianhe Chemicals has pitched a Global Offering on the Main Board of The Stock Exchange of Hongkong Ltd (Stock Code: 1619) of 2,817,264,000, \$US0.000001 Shares at the Indicative Offer Price Per Share, ranging from \$HK1.75 to \$HK2.25.

Of the total number of shares on Offer, 774,264,000 shares are being sold by the 'Selling Shareholders', to wit:

<u>Name of Selling Shareholder</u>	<u>Number of Shares</u>
Driven Goal Ltd	510,000,000 Shares
Mr Chen Chieh Hung () (previously known as Chen Chieh Hung [], alias Jimmy Chen)	264,264,000 Shares

Investors of the Hongkong Special Administrative Region (HKSAR) of the PRC are being Offered 281,728,000 Shares and the remaining Shares are being reserved for International Investors.

At the midpoint of the Indicative Offer Price Per Share, being \$HK2.00, Management expects to garner about \$HK3,917.80 million.

That amount of money is earmarked for the following purposes:

- About 30.30 percent, that is about \$HK1,186.30 million, for the '*development of lubricant additives, including special fluorized lubricating oil products*';
- About 30.30 percent, that is about \$HK1,187.50 million, for the '*development of specialty fluorochemical products*'; and,
- About 39.40 percent, that is about \$HK1,544.00 million, '*will be used for repayment of the shareholder's loans granted to us by Driven Goal. The shareholder's loans from Driven Goal is (sic) unsecured, interest-free and repayable on demand*'.

According to Appendix I-49 of the Global Offering Prospectus, as at December 31, 2013, Driven Goal Ltd was owed 1,234,862,000 renminbi (about \$HK1.55 billion) by Tianhe Chemicals.

In addition, throughout the 36-month, track-record period, Driven Goal Ltd had been consistently affording 'free' money to the Company: About 1.30-billion renminbi in the 2011-Year; and, about 1.27-billion renminbi in the 2012-Year.

And the loans were, always, unsecured and non-interest bearing, but, technically, '*repayable on demand*'.

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