

**SUCHUANG GAS CORPORATION LTD:
THIS COMPANY HAS BEEN
THE 'PRIVATE BANK' OF THE EXECUTIVE DIRECTORS**

Prima facie, it would appear that the Net Profit Attributable to Shareholders of Suchuang Gas Corporation Ltd () (Code: 1430, Main Board, The Stock Exchange of Hongkong Ltd), with regard to the three Financial Years, ended December 31, 2013, have been understated.

TARGET () makes this statement due to the fact that the two Executive Directors of the Company have been using Suchuang Gas as their '*private bank*', borrowing very material sums of money, interest-free, throughout the 36-month period, ended December 31, 2013.

Exactly, how much the Bottom Lines have been understated in respect of those three Years, only two people – the two Executive Directors – would be able to know, for certain.

And, this husband-and-wife team would, no doubt, be loath to front up with the figures.

The above intelligence, in respect of this Company's financials, is among the numerous factors, leading to **TARGET**'s conclusion after scanning the Global Offering Prospectus, dated February 27, 2015, the Prospectus, having been published and disseminated in the Hongkong Special Administrated Region (HKSAR) of the People's Republic of China (PRC).

First, The Initial Public Offering (IPO)

Suchuang Gas made a Global Offering of 200 million, one-cent Shares at the Indicative Offer Price Per Share, ranging from a low of \$HK2.08 to a high of \$HK2.92.

Of the total number of Shares on Offer, Hongkong Investors were Offered 20 million Shares, the remaining 180 million Shares, being reserved for International Investors.

The Net Proceeds of this IPO, on the assumption that the Offer Price Per Share is struck at \$HK2.50, being the midpoint of the Indicative Offer Price Per Share, will be approximately \$HK451.50 million.

This, not immaterial amount of money, is to be utilised for the following purposes:

1. About \$HK112.90 million, that is approximately 25 percent of the net proceeds, for the acquisition of three Compressed Natural Gas (CNG)/Liquified Petroleum Gas (LPG) refueling stations '*from Suzhou Suling Automobile Service (Company Ltd) () and constructing around nine CNG/LPG refueling stations for the sale of CNG/LPG for vehicular use ...*'; (Please see box, below)
2. About \$HK158.00 million, that is approximately 35 percent of the net proceeds, '*for expanding our pipeline network and the sale of piped natural gas to customers in our existing market, such as large industrial users, in our Operating Area of Taicang*';

3. About \$HK135.50 million, that is approximately 30 percent of the net proceeds, *'for acquiring controlling interests in natural gas operators outside Taicang for distribution and sale of natural gas in cities other than Taicang'*; and,
4. About \$HK45.10 million, that is approximately 10 percent of the net proceeds, to be used ...
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