

**ANHUI TIANDA OIL PIPE COMPANY LTD:
FOR WHAT REASON IS THIS COMPANY THE FLAVOUR OF THE MONTH ?**

If the shares of Anhui Tianda Oil Pipe Company Ltd () (Code: 8241, The Growth Enterprise Market [The GEM] of The Stock Exchange of Hongkong Ltd) were fully priced at \$HK3.00 per pop at the time of the Company's flotation, for what reason did shareholders push the price of the shares past \$HK4.00 within 7 working days of the first day of dealing in these shares?

The International Placing Prospectus of Anhui Tianda Oil Pipe Company was published on November 27, 2006, when 145,714,000, 0.50-renminbi Shares were Offered at a price of between \$HK2.40 per Share and \$HK3.00 per Share.

At the top end of the price range, \$HK3.00 per share, the Adjusted Net Tangible Asset Value Per Share was \$HK1.45, according to Appendix II-1 of the Prospectus.

This means that the shares had been Offered at about 107 percent over the Net Tangible Asset Value Per Share.

But within 7 business days of the first day of dealing in the shares of this Company, the share price had shot up to \$HK4.41.

That price represented an increase over the Offer Price of \$HK3.00 of about 47 percent.

Is it logical to assume that the share price of Anhui Tianda Oil Pipe Company is worth more than 200 percent of its Net Tangible Asset Value?

Clearly, a number of shareholders must have taken that view.

The Flotation

Anhui Tianda Oil Pipe Company Placed 145,714,000 Shares at \$HK3.00 per Share, the Company, collecting about \$HK394.60 million, net of expenses.

Altogether, 122 institutional and professional investors subscribed for the shares, with 3 entities, subscribing to more than 15 million shares, or about 10.29 percent of the total number of shares on Offer.

Another 25 entities/individual investors applied for between 2 million shares and 5 million, per entity, one was told.

So, in aggregate, some 25 placees applied for more than 20 percent of the number of shares on Offer.

Anhui Tianda Oil Pipe Company was, clearly, a red-hot Initial Public Offering of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

Up until the time that this Company went to The GEM of The Stock Exchange of Hongkong Ltd, its earnings had been flat, at least for the 24 months, ended December 31, 2005.

For the Financial Year, ending December 31, 2006, however, the Company has forecast a Net Profit Attributable to Shareholders of not less than 110 million renminbi.

The history, development and business of Anhui Tianda Oil Pipe Company are ... [CLICK TO ORDER FULL ARTICLE](#)

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