

**SIJIA GROUP COMPANY LTD:
SECOND TIME AROUND, LUCKY, CHAIRMAN LIN SHENG XIONG ?**

For the second time in a period of about 3 months, [Sijia Group Company Ltd \(\)](#) (Code: 1863, Main Board, The Stock Exchange of Hongkong Ltd) has launched an Initial Public Offering (IPO).

This time the Company has lowered its sights, down to about \$HK600 million.

The first time around was on January 26, 2010, when the Company launched a Global Offering of 200 million, \$HK0.001 Shares at a price of between \$HK2.69 Per Share and \$HK4.13 Per Share.

At the midway point of the Offer Price Range, that is \$HK3.41 Per Share, Sijia Group Company Ltd anticipated that it would garner about \$HK635 million.

Then, on Monday, February 1, 2010, Mr Lin Sheng Xiong (), the Chairman of Sijia Group Company Ltd, stated, in a public announcement:

‘In view of the current market conditions for initial public offerings and with the investors’ best interests in mind, the Company and the Sole Global Coordinator (for itself and on behalf of the Underwriters) have decided not to proceed with the Global Offering under the original timetable. The Company will continue to review the situation and further announcement(s) will be made at such time as a decision regarding a relaunch is reached.’

TARGET () found the above statement to be just too difficult to swallow and stated as much in **TARGET** Intelligence Service, Volume VII, Number 25, of February 5, 2010.

What, in **TARGET**’s opinion, probably happened was that the Sole Sponsor, Sole Global Coordinator and Sole Bookrunner, Piper Jaffray Asia Ltd (), had been unable to find a sufficient number of well-heeled individuals/entities to take up the 180 million Shares, set aside to be Offered to International Investors.

With only 20 million Shares, allocated in the Offer to investors of the Hongkong Special Administrative Region (HKSAR) of the People’s Republic of China (PRC), it was just not reasonable that the determination to withdraw the IPO of January 2010 would have been due to an insufficient number of HKSAR investors, willing to put, in aggregate, \$HK68.20 million on the table.

After all, as **TARGET** pointed out in its analysis of Sijia Group Company Ltd, based on the data, contained in the Global Offering Prospectus, dated January 26, 2010 (Please refer to **TARGET** Intelligence Report, Volume VII, Number 20, dated January 29, 2010):

‘The Company appears to be well managed with the Chairman, cracking the whip when needs be such, no doubt.

‘That which Sijia Group Company Ltd produces is well accepted and is part of just about everybody’s daily life.

‘The demand for polymer processed, high-strength polyester fabric is undeniably going to be maintained for many years to come, but new and improved materials will be discovered.

'Questions could be raised as to whether or not Management is sufficiently fleet of foot to tackle the demands of 'tomorrow' ...'.

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