

**CHINA SAITE GROUP COMPANY LTD:
FOR WHAT REASON(S) DID NOT THIS FLOTATION FLY ?**

One may well ask as to the reason, or reasons, that China Saite Group Company Ltd () (Code: 153, Main Board, The Stock Exchange of Hongkong Ltd) did not attract more positive attention from international investors when the Company launched its Global Offering on October 22, 2013.

Professional investors, it appeared, were not very enthusiastic to invest in this Company, and even the Hongkong Public Offer Share tranche was heavily weighted with local big spenders, who applied for 310 million shares, representing about 7.75 times the number of shares that were allocated in that share tranche.

The Global Offering was for 400 million, 10-cent Shares at the Indicative Offer Price Per Share, ranging from a low of \$HK1.03 to a high of \$HK1.25.

After all of the valid applications for the shares had been tallied, the share price was struck at the lowest level; and, the Company netted about \$HK383.80 million from the **Initial Public Offering (IPO)**.

The Hongkong Public Offer tranche was, originally, only 40 million Offer Shares and International Investors were, originally, allotted 360 million Placing Shares.

The Hongkong Public Offer tranche was oversubscribed by 15.51 times while the International Placing tranche, having been reduced to 280 million shares, was said to have been '*slightly over-subscribed*' in spite of 80 million Shares from this tranche, having been transferred to the Hongkong Public Offer tranche.

The net proceeds of the IPO will be utilised as follows:

- *'Approximately 55.0%, or HK\$211.1 million to be used in prefabricated construction business;*
- *Approximately 23.8%, or HK\$91.3 million to be used in steel structure business;*
- *Approximately 11.2%, or HK\$43.0 million for potential acquisition of steel structure construction business and related production facilities by the year ending 31 December 2014;*
- *Approximately 5.0%, or HK\$19.2 million to be used to further strengthen our research and development capabilities in the steel structure and prefabricated construction techniques through recruitment of staff and purchase of testing equipment;*
- *Approximately 3.0%, or HK\$11.5 million for establishing sales offices, employing additional sales and marketing staff and providing training to our staff; and,*
- *Approximately 2.0%, or HK\$7.7 million for working capital and other general corporate purposes.'*

The History and Business

Jiangsu Site Steel Structure Company Ltd (), founded in the People's Republic of China (PRC) on September 24, 1998, a company, engaged in steel structure products, was the first company that, ultimately, led to the formation of what is, today, the publicly listed company whose shares were quoted on the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the PRC in October, this year.

Jiangsu Site Steel Structure Company Ltd ... [CLICK TO ORDER FULL ARTICLE](#)

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