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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant, or other professional adviser.

If you have sold or transferred all your shares in Sijia Group Company Limited (the "Company"), you should at once hand this circular, together with the accompanying form of proxy, to the purchaser or the transferee to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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Sijia Group Company Limited

思嘉集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1863)

**PROPOSED CHANGE OF AUDITORS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening an extraordinary general meeting of the Company (the "EGM") to be held on 4/F, Swiss International Hotel Xiamen at 12 Lu Jiang Dao, Xiamen, Fujian, China on Friday, 15 March 2013 at 2:00 p.m. is set out on pages 9 to 10 of this circular.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM in person, you are requested to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the office of the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

21 February 2013

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DEFINITIONS

In this circular, the following expressions have the meanings respectively set out below unless the context otherwise requires:

“ANDA”	ANDA CPA Limited
“Appointment”	the appointment of SHINEWING as the new auditors of the Group
“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors
“Company”	Sijia Group Company Limited (思嘉集團有限公司), a company incorporated in the Cayman Islands with limited liability whose shares are listed on the main board of the Stock Exchange
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve (i) the Removal and (ii) the Appointment
“EY”	Ernst & Young, the existing auditors of the Group
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	19 February 2013, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Letter”	the letter from EY to the Company dated 7 February 2013 which, among others, set out matters which EY considered should be brought to the attention of the Shareholders in relation to the change of auditors of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Observations”	the inconsistencies observed by EY during the performance of the pre-final audit of the Group for the year ended 31 December 2012

DEFINITIONS

“Removal”	the removal of EY as the auditors of the Group
“Shareholder(s)”	the holder(s) of share(s) of the Company
“SHINEWING”	SHINEWING (HK) CPA Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

LETTER FROM THE BOARD



Sijia Group Company Limited

思嘉集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1863)

Executive Directors

Mr. Lin Shengxiong

Mr. Zhang Hongwang

Mr. Huang Wanneng

Independent Non-executive Directors

Mr. Chong Chi Wah

Mr. Cai Weican

Mr. Wu Jianhua

Registered Office

Codan Trust Company (Cayman) Limited

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Grand Cayman, KY1-1111

Cayman Islands

Principal Place of Business in Hong Kong

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China Overseas Building

139 Hennessy Road

Wanchai, Hong Kong

21 February 2013

To the Shareholders

Dear Sir or Madam,

PROPOSED CHANGE OF AUDITORS

INTRODUCTION

Reference is made to the announcements of the Company dated 8 February 2013 and 19 February 2013 in relation to the proposed Removal and Appointment.

PROPOSED REMOVAL AND APPOINTMENT OF AUDITORS

The Board proposes that, subject to the passing of necessary resolutions at EGM, the removal of EY as the auditors of the Group shall be approved, ratified and confirmed and SHINEWING, who is approached by the Board and is considering the acceptance of appointment as auditors of the Group for the year ended 31 December 2012, shall be appointed as the new auditors of the Group and to hold office until the conclusion of the forthcoming annual general meeting of the Company.

LETTER FROM THE BOARD

The reason for the proposed change of auditors of the Group is due to a disagreement between the Board and EY on the additional audit procedures required by EY and its proposed increase in audit fee for the financial year ended 31 December 2012.

SHINEWING had informed the Board that before the completion of SHINEWING's client acceptance procedures, SHINEWING did not and will not commence the audit of the Group's consolidated financial statements for the year ended 31 December 2012.

SHINEWING's client acceptance procedures, which are in accordance with applicable professional requirements include, but are not limited to, the following:

- a. the satisfactory result of the independent third party investigation in respect of the Observations;
- b. the matters raised by EY in its professional clearance letter dated 8 February 2013 have been resolved to SHINEWING's satisfaction; and
- c. the satisfactory result of any additional pre-acceptance procedures SHINEWING considers essential and necessary for the Observations.

The Company anticipates the final audit for the year ended 31 December 2012 will be completed by SHINEWING on or before 31 March 2013.

Matters to be brought to the attention of the Shareholders

During the performance of the pre-final audit of the Group for the year ended 31 December 2012 conducted by EY, EY observed the Observations and in view of them, EY requested to conduct additional procedures in auditing the 2012 financial statements of the Company which inevitably involve more time and resources, and therefore an increase in the audit fee. EY also required the Company to carry out an independent third party investigation in addressing the Observations before its issuance of the auditors' report. The Board does not agree with the requirement of having an independent third party investigation as a pre-condition of the issuance of the auditors' report and the proposed increase in audit fee. In light of the time constraint on the issuance of annual report, the Board decided to change the auditors of the Company.

The details of the Observations are set forth as follows:

(a) Inability to verify the value-added tax invoices through online verification system

EY claimed that the value-added tax invoices regarding 12 sample sale of goods transactions and 10 sample purchase of goods transactions during the 6-month period ended 30 June 2012 could not be verified by EY through the online value-added tax invoice verification system.

LETTER FROM THE BOARD

(b) Inability to verify the bank accounts of customers and suppliers

EY claimed that during the 6-month period ended 30 June 2012, the customers' bank accounts in respect of 10 sample transactions and the suppliers' bank accounts in respect of 2 sample transactions could not be verified by EY with the relevant banks.

(c) Inaccurate information of the bank slips and bank statements

EY claimed that during the 6-month period ended 30 June 2012, EY found that the bank code stated in 7 bank slips relating to the sample payment transactions do not comply with the official coding requirements, and that 2 sample payment transactions show inconsistent transaction codes appearing on the bank slips and the bank statements.

EY also claimed that the balance of the bank account of Fujian Sijia Industrial Material Co., Ltd (福建思嘉環保材料科技有限公司), an indirect wholly-owned subsidiary of the Company, was inconsistent with the balance stated in one of the two bank statements of that subsidiary obtained by EY.

On 7 February 2013, the Company received the Letter from EY which, among others, sets out matters which EY considered should be brought to the attention of the Shareholders in relation to the change of auditors of the Company. Set out below is an extract of the relevant paragraphs of the Letter:

"During the performance of our pre-final audit of the Company and its subsidiaries for the year ended 31 December 2012, we noted certain inconsistencies (the "Inconsistencies") and have notified the Chairman of the Audit Committee of our observations. We understand that the Audit Committee had asked the Company to provide explanations and additional supporting documents to explain and clarify the Inconsistencies.

In view of the Inconsistencies, apart from an independent investigation as recommended by us, we will need to perform additional procedures on the additional supporting documents provided by the Company and in auditing the 2012 Financial Statements. Such additional procedures will involve extra time and resources. We communicated the increase in audit scope and fees to the management of the Company for the audit of the 2012 Financial Statements. However, the management of the Company did not agree with the additional audit scope and fee for the audit of the 2012 Financial Statements.

LETTER FROM THE BOARD

With reference to Section 441 Changes of Auditors of a Listed Issuer of The Stock Exchange of Hong Kong of the Code of Ethics For Professional Accountants, we hereby write to confirm that up to the date of this letter, we consider that the above matters should be brought to the attention of the shareholders of the Company in relation to the change of the auditors of the Company”

In respect of the Observations, the Board wishes to clarify as follows:

- (i) the Board disagreed with the Observations and found them unbelievable;
- (ii) although the Observations were made by EY entirely out of its own and conveyed to the Company in its draft form only, the Company looked into the matter promptly and carried out its own enquiries in the truthfulness of each of the Observations;
- (iii) based on the information and documents provided to the chairman of the Audit Committee, the Company issued a reply letter to EY dated 26 November 2012 with the explanations and the supporting documents attached thereto;
- (iv) on 5 December 2012, a full Board meeting was held at which the Observations were thoroughly discussed and a further reply to the Audit Committee dated 11 December 2012 was copied to EY with further supporting evidence which served to address the Observations; and
- (v) up to the Latest Practicable Date and in the absence of any substantive feedback or comment from EY in regard to the explanations and the supporting documents set out in the two letters mentioned in (iii) and (iv) above or any specific suggestion from EY on any additional procedures required (save to conduct an independent investigation), the Board considers the explanations and documents as mentioned in (iii) and (iv) above are sufficient in addressing the Observations.

To the best of the Directors’ knowledge, save as disclosed above, there are no circumstances in respect of the change of auditors which should be brought to the attention of the Shareholders.

THE INDEPENDENT INVESTIGATION

For the sake of good corporate governance and for the interests of the Shareholders, the Company appointed ANDA, an independent accountants’ firm, on 30 January 2013 to carry out the independent investigation to look into the Observations and to prepare an investigation report.

LETTER FROM THE BOARD

The details and scope of the independent investigation to be conducted by ANDA include (a) interviewing the responsible parties in relevant banks, tax authorities, clients and suppliers of the Group; (b) inspecting relevant documents; and (c) looking into such other matters jointly agreed by ANDA and the Audit Committee.

SHINEWING has indicated to the Company that the independent investigation to be made by ANDA is a positive step in addressing the Observations. The Company has not enquired EY about ANDA's engagement as it was made after the Company proposed to terminate EY's service as auditors of the Company.

The Company anticipates that, owing to the intervening Chinese New Year Holidays, especially when many of the parties involved in mainland China will not resume business till the third or fourth week of this month, the independent investigation can be completed before the EGM.

GENERAL

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders have material interest in the proposed Removal and Appointment and are required to abstain from voting in respect of the resolutions to approve the Removal and Appointment.

EGM

Set out on pages 9 to 10 of this circular is the notice to convene and hold the EGM on 4/F, Swiss International Hotel Xiamen at 12 Lu Jiang Dao, Xiamen, Fujian, China on Friday, 15 March 2013 at 2:00 p.m..

It is proposed that at the EGM, special resolution for the approval of the Removal and ordinary resolution for the approval of the Appointment be put to the Shareholders for their consideration and voting at the EGM. Voting will be conducted by poll pursuant to the Listing Rules.

Each Shareholder who has the right to attend and vote at the EGM is entitled to appoint one or more proxies, whether they are Shareholders or not, to attend and vote at the EGM on his behalf.

The proxy form for use in connection with the EGM is enclosed with this circular. Whether or not you are able to attend the meeting, please complete and return the enclosed proxy form in accordance with the instructions printed thereon as soon as practicable and in any event not less than 48 hours before the time appointed for holding of the meeting. Completion and return of the proxy form will not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so wish.

LETTER FROM THE BOARD

RECOMMENDATIONS

The Directors consider that the Removal and Appointment are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the special resolution to approve the Removal and the ordinary resolutions to approve the Appointment.

Please note that the trading of shares of the Company has been suspended since 14 February 2013 and will remain suspended until further notice.

Yours faithfully,
By order of the Board
Sijia Group Company Limited
Lin Shengxiong
Executive Director

NOTICE OF THE EGM



Sijia Group Company Limited

思嘉集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1863)

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of Sijia Group Company Limited (the “Company”) will be held on 4/F, Swiss International Hotel Xiamen at 12 Lu Jiang Dao, Xiamen, Fujian, China on Friday, 15 March 2013 at 2:00 p.m. for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution of the Company:–

SPECIAL RESOLUTION

“THAT the removal of Ernst & Young as the auditors of the Company and its subsidiaries be and is hereby approved, ratified and confirmed.”

ORDINARY RESOLUTION

“THAT subject to the passing of the special resolution above, SHINEWING (HK) CPA Limited be and is hereby appointed as the auditors of the Company and its subsidiaries with immediate effect and to hold office until the conclusion of the forthcoming annual general meeting of the Company, and the board of directors of the Company be and is hereby authorised to fix their remuneration.”

Yours faithfully,
By order of the Board
Sijia Group Company Limited
Lin Shengxiong
Executive Director

Hong Kong, 21 February 2013

Notes:

1. Any Shareholder entitled to attend and vote at the EGM is entitled to appoint another person as his proxy to attend and, on poll, vote on his behalf. A proxy need not be a Shareholder.
2. A form of proxy for use at the EGM is enclosed. Whether or not you intend to attend the EGM in person, you are urged to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof if you so wish. In the event that you attend the EGM after having returned the completed form of proxy, your form of proxy will be deemed to have been revoked.

NOTICE OF THE EGM

3. To be valid, the form of proxy, together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney, must be deposited at the Computershare Hong Kong Investor Services Limited, the Company's Hong Kong Share Registrar, at 17M/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, at least 48 hours before the time appointed for holding the EGM or any adjournment thereof.
4. In the case of joint registered holders of any Shares, any one of such joint registered holders may vote at the EGM, either in person or by proxy, in respect of such shares as if he/she/it were solely entitled thereto; but if more than one of such joint registered holders be present at the EGM, either in person or by proxy, the vote of that one of them so present, either in person or by proxy, whose name stands first on the register of members in respect of such Shares shall be accepted to the exclusion of the votes of the other joint registered holder(s).
5. Unless otherwise specified in herein, capitalised terms used in this notice shall have the same meaning as those defined in the circular of the Company dated 21 February 2013.