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## **JIA SHENG HOLDINGS LIMITED**

### **嘉盛控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 729)**

### **UNUSUAL PRICE MOVEMENT AND TRADING VOLUME AND RESUMPTION OF TRADING**

The following statement is made at the request of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

#### **Unusual price movement and trading volume**

The directors (the “Directors”) of Jia Sheng Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) have noted a press article appearing on today’s Ming Pao (the “Article”) about the battery products manufactured by the Thunder Sky group (“Thunder Sky”). The Directors wish to make the clarifications as set out below.

As disclosed in the announcement of the Company dated 25 January 2010, the Company entered into a conditional agreement to acquire the entire equity interest in Union Grace Holdings Limited (the “Target”, together with its subsidiary, the “Target Group”). The subsidiary of the Target has been granted the patent rights to manufacture and sell Lithium-based battery products of Thunder Sky (the “Battery Products”).

The Article alleged that (i) an explosion of the Battery Products installed in an electric vehicle had occurred in March 2009; (ii) there had been frequent complaints and requests for return of the Battery Products by customers; (iii) the production lines of Thunder Sky are frequently under-utilised; and (iv) Thunder Sky is in discussions with car manufacturers for co-operation in electric vehicle production and to increase production capacity.

In response to the allegations above, the board of Directors (the “Board”) wishes to state that to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries with the vendors of the Target (the “Vendors”),

- (i) there had not been any explosion of the Battery Products or the vehicles installed with the Battery Products since the commencement of the production of the Battery Products by Thunder Sky in 2003.

In respect of the explosion incident referred to in the Article, the Vendors informed the Company that they believed it might be related to an incident in which smoke was discharged during a testing in March 2009. Thunder Sky installed the Battery Products as power batteries in a vehicle for testing purpose while keeping the original start-up batteries (which were not manufactured by Thunder Sky) for use in ancillary functions. Due to the intensive re-charge of the start-up batteries by the Battery Products during the testing, smoke was discharged from the start-up batteries (which were not manufactured by Thunder Sky). As advised by the Vendors, since such incident, all testing vehicles have been powered solely by the Battery Products (which were manufactured by Thunder Sky) and start-up batteries have been removed;

- (ii) in the last three years, there had not been any material complaints or request for return of the Battery Products by overseas customers due to unsatisfactory quality of the Battery Products produced by Thunder Sky;
- (iii) the operations of Thunder Sky remain normal and the production lines of Thunder Sky have not at present been utilised to their full capacity. It is expected that utilisation of the production lines will improve along with the expected increase in sales orders for the Battery Products; and
- (iv) Thunder Sky has from time to time been in discussions with potential customers including car manufacturers regarding the supply of the Battery Products. The Vendors however advised that currently no definitive agreements have been entered into with any car manufacturers. There is also no on-going discussion by the Target Group with any parties regarding the co-investment of production line for electric vehicles and there is no plan to increase the production capacity of Thunder Sky to 15 billion ampere-hours.

The Directors consider the matters described above in the Article to be incorrect and unfounded. The Directors regret that the Company has not been approached by Ming Pao to verify the contents before the publication of the Article.

The Directors had noted the Article before the commencement of the morning trading session of the Stock Exchange today and had promptly made enquiries with the Vendors. Based on the confirmations of the Vendors that the statements contained in the Article were incorrect, the Directors had considered that there was no information on any major new development in the Group's proposed sphere of activity which was not public knowledge and which was subject to disclosures by the Company pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

However, the Directors had noted that at around 11:30 a.m. today, the price of the shares of the Company (the "Shares") started to move noticeably against the market while the price movement of the Shares prior thereto was generally in line with the market. Upon enquiries by the Stock Exchange, the Directors re-considered the circumstances and considered that the unusual decrease in Share price and increase in trading volume might have been caused by the matters incorrectly disclosed in the Article. The Board therefore considered it appropriate to request suspension of the Shares in the afternoon trading session pending the release of this announcement to avoid the possible establishment of a false market in the Shares. The Directors wish to state that apart from those disclosed above which might have caused the unusual movements in the Share price and trading volume, they are not aware of any reasons for such fluctuations. The Directors also confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Rule 13.23 of the Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

### **Suspension and resumption of trading**

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 2:30 p.m. on 8 February 2010. An application has been made by the Company to the Stock Exchange for the resumption of trading of the Shares with effect from 9:30 a.m. on 9 February 2010 following the release of this announcement.

## **General**

Shareholders of the Company and public investors should note that completion of the acquisition of the Target is subject to a number of conditions which have not been fulfilled and the acquisition is yet to be completed. **Shareholders of the Company and public investors are reminded to exercise caution when dealing in the Shares.**

This announcement is made by the order of the Board, the Directors of which collectively and individually accept responsibility for the accuracy of this announcement.

By order of the Board of  
**Jia Sheng Holdings Limited**  
**Yip Chi Chiu**  
*Deputy Chairman and Chief Executive Officer*

Hong Kong, 8 February 2010

*As of the date of this announcement, the Board comprises Mr. Yip Chi Chiu (Deputy Chairman and Chief Executive Officer), Mr. Lo Wing Yat, and Mr. So George Siu Ming (Chief Operating Officer and Chief Financial Officer) as executive Directors; Mr. Leung Chung Tak Barry and Mr. Wong Kwok Kuen as non-executive Directors; and Mr. Chan Yuk Tong, Mr. Fei Tai Hung and Mr. Tse Kam Fow as independent non-executive Directors.*

*Website: <http://www.jiasheng.hk>*