

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **JIA SHENG HOLDINGS LIMITED**

### **嘉盛控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 729)**

### **FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2009**

The board of directors (the “Board”) of Jia Sheng Holdings Limited (the “Company”) presents the audited consolidated final results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 March 2009, together with the comparative figures for the corresponding last year as follows:

#### **CONSOLIDATED INCOME STATEMENT**

*For the year ended 31 March 2009*

|   | <i>Note</i> | <b>2009</b><br><i>HK\$'000</i> | 2008<br><i>HK\$'000</i><br>(Restated) |
|---|-------------|--------------------------------|---------------------------------------|
| <i>Continuing operations</i>                      |             |                                |                                       |
| Turnover  | 2           | <b>35,169</b>                  | 101,794                               |
| Net (loss) / gain from trading securities         |             | <b>(1,951)</b>                 | 879                                   |
| Securities brokerage income                       |             | <b>694</b>                     | 3,252                                 |
| Dividend income                                   |             | <b>88</b>                      | 19                                    |
| Interest income                                   |             | <b>604</b>                     | 3,126                                 |
|   |             | <b>(565)</b>                   | 7,276                                 |
| Other income                                      |             | <b>99</b>                      | 500                                   |
| Administrative expenses                           |             | <b>(23,868)</b>                | (31,246)                              |
| Equity-settled share-based payments               |             | <b>(29,091)</b>                | (6,046)                               |
| Impairment on available-for-sale financial assets |             | —                              | (15,918)                              |
| Impairment on goodwill                            |             | —                              | (1,648)                               |
| Write-down of inventories                         |             | —                              | (2,857)                               |
| Share of results of a jointly controlled entity   |             | <b>(4,795)</b>                 | —                                     |

|   | <i>Note</i> | <b>2009</b><br><i>HK\$'000</i> | 2008<br><i>HK\$'000</i><br>(Restated) |
|---|-------------|--------------------------------|---------------------------------------|
| <b>Loss before taxation</b>   | 4           | <b>(58,220)</b>                | (49,939)                              |
| Taxation  | 5           | <u>14</u>                      | <u>(18)</u>                           |
| <b>Loss for the year from continuing operations</b>                 |             | <b>(58,206)</b>                | (49,957)                              |
| <b><i>Discontinued operations</i></b>                               | 6           |                                |                                       |
| Loss for the year from discontinued operations                      |             | <u>(14,472)</u>                | <u>(14,532)</u>                       |
| <b>Loss for the year</b>  |             | <u><b>(72,678)</b></u>         | <u>(64,489)</u>                       |
| <b>Attributable to:</b>   |             |                                |                                       |
| Equity holders of the Company                                       |             | <b>(72,155)</b>                | (61,226)                              |
| Minority interests  |             | <u>(523)</u>                   | <u>(3,263)</u>                        |
|   |             | <u><b>(72,678)</b></u>         | <u>(64,489)</u>                       |
| <b>Dividend</b>   | 7           | <u>—</u>                       | <u>—</u>                              |
|   |             | <i>HK\$</i>                    | <i>HK\$</i><br>(Restated)             |
| <b>Loss per share attributable to equity holders of the Company</b> | 8           |                                |                                       |
| <b>From continuing and discontinued operations</b>                  |             |                                |                                       |
| — Basic and diluted   |             | <u><b>(0.0394)</b></u>         | <u>(0.0338)</u>                       |
| <b>From continuing operations</b>                                   |             |                                |                                       |
| — Basic and diluted   |             | <u><b>(0.0318)</b></u>         | <u>(0.0276)</u>                       |

## CONSOLIDATED BALANCE SHEET

As at 31 March 2009

|  | Note | 2009<br>HK\$'000 | 2008<br>HK\$'000 |
|--|------|------------------|------------------|
| <b>Non-current assets</b>                            |      |                  |                  |
| Fixed assets   |      | 2,472            | 7,482            |
| Interest in a jointly controlled entity              |      | 17,341           | —                |
| Other operating assets                               |      | 205              | 230              |
|  |      | <b>20,018</b>    | 7,712            |
| <b>Current assets</b>                                |      |                  |                  |
| Inventories  |      | —                | 19,565           |
| Trade and other receivables                          | 9    | 6,597            | 13,783           |
| Cash and bank balances                               |      | 48,650           | 79,078           |
|  |      | <b>55,247</b>    | 112,426          |
| <b>Current liabilities</b>                           |      |                  |                  |
| Trade and other payables                             | 10   | 4,967            | 6,282            |
| Provision for taxation                               |      | —                | 16               |
|  |      | <b>4,967</b>     | 6,298            |
| <b>Net current assets</b>                            |      | <b>50,280</b>    | 106,128          |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>         |      | <b>70,298</b>    | 113,840          |
| <b>CAPITAL AND RESERVES</b>                          |      |                  |                  |
| Share capital  |      | 18,304           | 18,304           |
| Reserves   |      | 51,994           | 95,010           |
| Equity attributable to equity holders of the Company |      | <b>70,298</b>    | 113,314          |
| Minority interests                                   |      | —                | 526              |
| <b>TOTAL EQUITY</b>                                  |      | <b>70,298</b>    | 113,840          |

## NOTES:

### 1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

#### (a) Basis of preparation

These final results have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), which include Hong Kong Accounting Standards (“HKASs”) and interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), and accounting principles generally accepted in Hong Kong. These final results also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The final results have been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value.

#### (b) Impact of new and revised Hong Kong Financial Reporting Standards

The Group has where applicable adopted the following new interpretations and amendments to HKFRSs for the first time for the current year’s final results. The adoption of these new interpretations and amendments has no material effect on how the results and financial position of the current or prior accounting years have been prepared and presented.

|                                  |  |
|----------------------------------|--|
| HKAS 39 and HKFRS 7 (Amendments) | Amendments to HKAS 39 Financial Instruments: Recognition and Measurement and HKFRS 7 Financial Instruments: Disclosures - Reclassification of Financial Assets |
|----------------------------------|--|

|                    |   |
|--------------------|---|
| HK(IFRIC) - Int 11 | HKFRS 2 - Group and Treasury Share Transactions |
|--------------------|---|

|                    |  |
|--------------------|--|
| HK(IFRIC) - Int 14 | HKAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction |
|--------------------|--|

The Group has not early applied the following new and revised standards, amendment and interpretations, that have been issued but are not yet effective for annual period beginning on 1 April 2008, in these final results:

|                     |                                     |
|---------------------|-------------------------------------|
| HKFRSs (Amendments) | Improvements to HKFRSs <sup>1</sup> |
|---------------------|-------------------------------------|

|                     |  |
|---------------------|--|
| HKFRSs (Amendments) | Improvements to HKFRSs 2009 <sup>2</sup> |
|---------------------|--|

|                                |   |
|--------------------------------|---|
| HKFRS 1 & HKAS 27 (Amendments) | Amendments to HKFRS 1 First-time adoption of HKFRSs and HKAS 27 Consolidated and Separate Financial Statements - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate <sup>3</sup> |
|--------------------------------|---|

|                   |  |
|-------------------|--|
| HKFRS 1 (Revised) | First-time adoption of HKFRSs <sup>4</sup> |
|-------------------|--|

|                      |   |
|----------------------|---|
| HKFRS 2 (Amendments) | Amendments to HKFRS 2 Share-based Payment - Vesting Conditions and Cancellations <sup>3</sup> |
|----------------------|---|

|                   |                                    |
|-------------------|------------------------------------|
| HKFRS 3 (Revised) | Business Combinations <sup>4</sup> |
|-------------------|------------------------------------|

|                      |   |
|----------------------|---|
| HKFRS 7 (Amendments) | Amendments to HKFRS 7 Financial Instruments: Disclosures - Improving Disclosures about Financial Instruments <sup>3</sup> |
|----------------------|---|

|         |                                 |
|---------|---------------------------------|
| HKFRS 8 | Operating Segments <sup>3</sup> |
|---------|---------------------------------|

|                  |   |
|------------------|---|
| HKAS 1 (Revised) | Presentation of Financial Statements <sup>3</sup> |
|------------------|---|

|                   |                              |
|-------------------|------------------------------|
| HKAS 23 (Revised) | Borrowing Costs <sup>3</sup> |
|-------------------|------------------------------|

|                   |   |
|-------------------|---|
| HKAS 27 (Revised) | Consolidated and Separate Financial Statements <sup>4</sup> |
|-------------------|---|

|   |  |
|---|--|
| HKAS 32 & HKAS 1<br>(Amendments)              | Amendments to HKAS 32 Financial Instruments: Presentation and HKAS 1 Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation <sup>3</sup> |
| HKAS 39 (Amendment)                           | Amendment to HKAS 39 Financial Instruments: Recognition and Measurement - Eligible Hedged Items <sup>4</sup>   |
| HK(IFRIC) - Int 9 and<br>HKAS 39 (Amendments) | Amendments to HK(IFRIC) - Int 9 Reassessment of Embedded Derivatives and HKAS 39 Financial Instruments: Recognitions and Measurement - Embedded Derivatives <sup>7</sup>                       |
| HK(IFRIC) - Int 13                            | Customer Loyalty Programmes <sup>5</sup>   |
| HK(IFRIC) - Int 15                            | Agreements for the Construction of Real Estate <sup>3</sup>  |
| HK(IFRIC) - Int 16                            | Hedges of a Net Investment in a Foreign Operation <sup>6</sup>   |
| HK(IFRIC) - Int 17                            | Distributions of Non-cash Assets to Owners <sup>4</sup>  |
| HK(IFRIC) - Int 18                            | Transfers of Assets from Customers <sup>8</sup>  |

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2009 except the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2009, 1 July 2009 and 1 January 2010, as appropriate

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2009

<sup>4</sup> Effective for annual periods beginning on or after 1 July 2009

<sup>5</sup> Effective for annual periods beginning on or after 1 July 2008

<sup>6</sup> Effective for annual periods beginning on or after 1 October 2008

<sup>7</sup> Effective for annual periods ending on or after 30 June 2009

<sup>8</sup> Effective for transfer of assets from customers received on or after 1 July 2009

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, it has concluded that while the adoption of HKFRS 7 Amendments, HKFRS 8 and HKAS 1 (Revised) may result in new or amended disclosures and the adoption of HKFRS 3 (Revised) and HKAS 27 (Revised) may result in changes in accounting policies, these new and revised HKFRSs are unlikely to have a significant impact on the Group's results and financial position.

## 2. TURNOVER

Turnover represents the aggregate of gross proceeds from sales of trading securities, income from securities brokerage services, income on treasury investment which includes interest income on bank deposits, dividend income, and income from other businesses.

|  | <b>2009</b><br><i>HK\$'000</i> | 2008<br><i>HK\$'000</i> |
|--|--------------------------------|-------------------------|
| Proceeds from sales of trading securities                    | <b>33,783</b>                  | 95,397                  |
| Securities brokerage service income                          | <b>694</b>                     | 3,252                   |
| Bank interest income from treasury investment in cash market | <b>604</b>                     | 3,126                   |
| Dividend income from listed investments                      | <b>88</b>                      | 19                      |
|  | <hr/>                          | <hr/>                   |
| Turnover from continuing operations                          | <b>35,169</b>                  | 101,794                 |
|  | <hr/> <hr/>                    | <hr/> <hr/>             |

## 3. SEGMENT INFORMATION

### (a) Primary reporting format - business segments

Descriptions of the business segments are as follows:

- (i) the securities investment segment includes dealings and trading of securities;
- (ii) the securities brokerage segment provides securities brokerage services;
- (iii) the treasury investment segment represents investments in cash market; and
- (iv) during the year 2009, the manufacturing and trading of automotive components business was classified as discontinued operations. The provision of logistics services was classified as discontinued operations during the year 2008.

An analysis of the Group's segment information by business segments is set out as follows:

|   | 2009                                 |                                     |                                    |  | Sub-total<br>HK\$'000 | Discontinued operations   |                                   |                       | Consolidated<br>HK\$'000 |
|---|--------------------------------------|-------------------------------------|------------------------------------|--|-----------------------|---|-----------------------------------|-----------------------|--------------------------|
|   | Continuing operations                |                                     |                                    |  |                       | Manufacturing<br>and trading of<br>automotive<br>components<br>HK\$'000 | Logistics<br>services<br>HK\$'000 | Sub-total<br>HK\$'000 |                          |
|   | Securities<br>investment<br>HK\$'000 | Securities<br>brokerage<br>HK\$'000 | Treasury<br>investment<br>HK\$'000 | Inter-<br>segment<br>elimination<br>HK\$'000 |                       |   |                                   |                       |                          |
| Turnover  | 33,871                               | 694                                 | 604                                | —  | 35,169                | 10,279  | —                                 | 10,279                | 45,448                   |
| Net loss from trading securities (Note)         | (1,951)                              | —                                   | —                                  | —  | (1,951)               | —   | —                                 | —                     | (1,951)                  |
| Securities brokerage income                     | —                                    | 694                                 | —                                  | —  | 694                   | —   | —                                 | —                     | 694                      |
| Dividend income                                 | 88                                   | —                                   | —                                  | —  | 88                    | —   | —                                 | —                     | 88                       |
| Interest income                                 | —                                    | —                                   | 604                                | —  | 604                   | —   | —                                 | —                     | 604                      |
| Sale of automotive components                   | —                                    | —                                   | —                                  | —  | —                     | 10,279  | —                                 | 10,279                | 10,279                   |
| Other income                                    | (1,863)<br>2                         | 694<br>13                           | 604<br>—                           | —<br>—                                       | (565)<br>15           | 10,279<br>237   | —<br>—                            | 10,279<br>237         | 9,714<br>252             |
|   | <u>(1,861)</u>                       | <u>707</u>                          | <u>604</u>                         | <u>—</u>                                     | <u>(550)</u>          | <u>10,516</u>   | <u>—</u>                          | <u>10,516</u>         | <u>9,966</u>             |
| Segment results                                 | <u>(2,395)</u>                       | <u>(3,501)</u>                      | <u>604</u>                         | <u>—</u>                                     | <u>(5,292)</u>        | <u>(2,362)</u>  | <u>—</u>                          | <u>(2,362)</u>        | <u>(7,654)</u>           |
| Unallocated group other income                  |                                      |                                     |                                    |  | 84                    |   |                                   | —                     | 84                       |
| Unallocated group expenses                      |                                      |                                     |                                    |  | (19,126)              |   |                                   | —                     | (19,126)                 |
| Equity-settled share-based payments             |                                      |                                     |                                    |  | (29,091)              |   |                                   | —                     | (29,091)                 |
| Write-down of inventories                       |                                      |                                     |                                    |  | —                     | (10,007)  | —                                 | (10,007)              | (10,007)                 |
| Impairment on fixed assets                      |                                      |                                     |                                    |  | —                     | (2,100)   | —                                 | (2,100)               | (2,100)                  |
| Share of results of a jointly controlled entity |                                      |                                     |                                    |  | (4,795)               |   |                                   | —                     | (4,795)                  |
| Loss before taxation                            |                                      |                                     |                                    |  | (58,220)              |   |                                   | (14,469)              | (72,689)                 |
| Taxation  |                                      |                                     |                                    |  | 14                    |   |                                   | (3)                   | 11                       |
| Loss for the year                               |                                      |                                     |                                    |  | <u>(58,206)</u>       |   |                                   | <u>(14,472)</u>       | <u>(72,678)</u>          |
| Segment assets                                  | 2,627                                | 13,206                              | 35,560                             | —  | 51,393                |   |                                   | —                     | 51,393                   |
| Unallocated assets                              |                                      |                                     |                                    |  | 23,872                |   |                                   | —                     | 23,872                   |
| Total assets                                    |                                      |                                     |                                    |  | <u>75,265</u>         |   |                                   | <u>—</u>              | <u>75,265</u>            |
| Segment liabilities                             | (4,819)                              | (8,703)                             | —                                  | 9,629  | (3,893)               |   |                                   | —                     | (3,893)                  |
| Unallocated liabilities                         |                                      |                                     |                                    |  | (1,074)               |   |                                   | —                     | (1,074)                  |
| Total liabilities                               |                                      |                                     |                                    |  | <u>(4,967)</u>        |   |                                   | <u>—</u>              | <u>(4,967)</u>           |
| Other segment information:                      |                                      |                                     |                                    |  |                       |   |                                   |                       |                          |
| Capital expenditure                             | —                                    | 606                                 | —                                  | —  | 606                   |   |                                   | —                     | 606                      |
| Unallocated                                     |                                      |                                     |                                    |  | 940                   |   |                                   | —                     | 940                      |
| Total capital expenditure                       |                                      |                                     |                                    |  | <u>1,546</u>          |   |                                   | <u>—</u>              | <u>1,546</u>             |
| Depreciation                                    | —                                    | 447                                 | —                                  | —  | 447                   | 981   | —                                 | 981                   | 1,428                    |
| Unallocated                                     |                                      |                                     |                                    |  | 700                   |   |                                   | —                     | 700                      |
| Total depreciation                              |                                      |                                     |                                    |  | <u>1,147</u>          |   |                                   | <u>981</u>            | <u>2,128</u>             |

Note: In prior years, the gross sale proceeds from disposal of trading securities was classified as turnover while the corresponding investment cost was classified as cost of sales. After consideration of the preferred presentation under 'Hong Kong Accounting Standard 39 Financial Instruments: Recognition and Measurement', only the net gain or loss from trading securities is presented. These changes in presentation do not have any impact on the Group's financial results. The comparative figures were restated accordingly.

## 2008 (Restated)

|   | Continuing operations                |                                     |                                    |  | Sub-total<br>HK\$'000 | Discontinued operations   |                                   |  | Sub-total<br>HK\$'000 | Consolidated<br>HK\$'000 |
|---|--------------------------------------|-------------------------------------|------------------------------------|--|-----------------------|---|-----------------------------------|--|-----------------------|--------------------------|
|   | Securities<br>investment<br>HK\$'000 | Securities<br>brokerage<br>HK\$'000 | Treasury<br>investment<br>HK\$'000 | Inter-<br>segment<br>elimination<br>HK\$'000 |                       | Manufacturing<br>and trading of<br>automotive<br>components<br>HK\$'000 | Logistics<br>services<br>HK\$'000 | Inter-<br>segment<br>elimination<br>HK\$'000 |                       |                          |
| Turnover  | 95,416                               | 3,257                               | 3,126                              | (5)  | 101,794               | 18,869  | 1,432                             | —  | 20,301                | 122,095                  |
| Net gain from trading<br>securities (Note)                  | 874                                  | —                                   | —                                  | 5  | 879                   | —   | —                                 | —  | —                     | 879                      |
| Securities<br>brokerage<br>income                           | —                                    | 3,257                               | —                                  | (5)  | 3,252                 | —   | —                                 | —  | —                     | 3,252                    |
| Dividend income   | 19                                   | —                                   | —                                  | —  | 19                    | —   | —                                 | —  | —                     | 19                       |
| Interest income   | —                                    | —                                   | 3,126                              | —  | 3,126                 | —   | —                                 | —  | —                     | 3,126                    |
| Income from<br>discontinued<br>operations                   | —                                    | —                                   | —                                  | —  | —                     | 18,869  | 1,432                             | —  | 20,301                | 20,301                   |
| Other income  | 893                                  | 3,257                               | 3,126                              | —  | 7,276                 | 18,869  | 1,432                             | —  | 20,301                | 27,577                   |
|   | 39                                   | 307                                 | —                                  | —  | 346                   | 142   | —                                 | —  | 142                   | 488                      |
|   | 932                                  | 3,564                               | 3,126                              | —  | 7,622                 | 19,011  | 1,432                             | —  | 20,443                | 28,065                   |
| Segment results   | 123                                  | (2,145)                             | 3,126                              | —  | 1,104                 | (7,108)   | (420)                             | —  | (7,528)               | (6,424)                  |
| Unallocated<br>group other<br>income                        |                                      |                                     |                                    |  | 154                   |   |                                   |  | —                     | 154                      |
| Unallocated<br>group<br>expenses                            |                                      |                                     |                                    |  | (24,728)              |   |                                   |  | —                     | (24,728)                 |
| Equity-settled<br>share-based<br>payments                   |                                      |                                     |                                    |  | (6,046)               |   |                                   |  | —                     | (6,046)                  |
| Impairment on<br>available-for-<br>sale financial<br>assets |                                      |                                     |                                    |  | (15,918)              |   |                                   |  | —                     | (15,918)                 |
| Write-down of<br>inventories                                |                                      |                                     |                                    |  | (2,857)               | (2,396)   | —                                 | —  | (2,396)               | (5,253)                  |
| Impairment on<br>goodwill                                   | —                                    | (1,648)                             | —                                  | —  | (1,648)               | (3,973)   | —                                 | —  | (3,973)               | (5,621)                  |
| Loss on disposal<br>of subsidiaries                         |                                      |                                     |                                    |  | —                     |   |                                   |  | (630)                 | (630)                    |
| Loss before<br>taxation                                     |                                      |                                     |                                    |  | (49,939)              |   |                                   |  | (14,527)              | (64,466)                 |
| Taxation  |                                      |                                     |                                    |  | (18)                  |   |                                   |  | (5)                   | (23)                     |
| Loss for the year   |                                      |                                     |                                    |  | (49,957)              |   |                                   |  | (14,532)              | (64,489)                 |
| Segment assets  | 5,513                                | 10,951                              | 63,948                             | —  | 80,412                | 29,884  | —                                 | —  | 29,884                | 110,296                  |
| Unallocated<br>assets                                       |                                      |                                     |                                    |  | 9,842                 |   |                                   |  | —                     | 9,842                    |
| Total assets  |                                      |                                     |                                    |  | 90,254                |   |                                   |  | 29,884                | 120,138                  |
| Segment<br>liabilities                                      | (5,264)                              | (2,947)                             | —                                  | 5,239  | (2,972)               | (28,149)  | —                                 | 25,700                                       | (2,449)               | (5,421)                  |
| Unallocated<br>liabilities                                  |                                      |                                     |                                    |  | (877)                 |   |                                   |  | —                     | (877)                    |
| Total liabilities   |                                      |                                     |                                    |  | (3,849)               |   |                                   |  | (2,449)               | (6,298)                  |
| Other segment information:                                  |                                      |                                     |                                    |  |                       |   |                                   |  |                       |                          |
| Capital<br>expenditure                                      | —                                    | 45                                  | —                                  | —  | 45                    | 473   | —                                 | —  | 473                   | 518                      |
| Unallocated   |                                      |                                     |                                    |  | 1,400                 |   |                                   |  | —                     | 1,400                    |
| Total capital<br>expenditure                                |                                      |                                     |                                    |  | 1,445                 |   |                                   |  | 473                   | 1,918                    |
| Depreciation  | —                                    | 594                                 | —                                  | —  | 594                   | 1,943   | 89                                | —  | 2,032                 | 2,626                    |
| Unallocated   |                                      |                                     |                                    |  | 413                   |   |                                   |  | —                     | 413                      |
| Total<br>depreciation                                       |                                      |                                     |                                    |  | 1,007                 |   |                                   |  | 2,032                 | 3,039                    |



(b) Secondary reporting format - geographical segments

An analysis of the Group's segment information by geographical segments is set out as follows:

|   | 2009                         |                        |                             |                                 |
|---|------------------------------|------------------------|-----------------------------|---------------------------------|
|   | Hong Kong<br><i>HK\$'000</i> | PRC<br><i>HK\$'000</i> | Overseas<br><i>HK\$'000</i> | Consolidated<br><i>HK\$'000</i> |
| Turnover                                | 38,172                       | —                      | 7,276                       | 45,448                          |
| Attributable to discontinued operations | (3,003)                      | —                      | (7,276)                     | (10,279)                        |
| Attributable to continuing operations   | <u>35,169</u>                | <u>—</u>               | <u>—</u>                    | <u>35,169</u>                   |
| Segment income                          | 2,438                        | —                      | 7,276                       | 9,714                           |
| Attributable to discontinued operations | (3,003)                      | —                      | (7,276)                     | (10,279)                        |
| Attributable to continuing operations   | <u>(565)</u>                 | <u>—</u>               | <u>—</u>                    | <u>(565)</u>                    |
| Segment assets                          | 57,924                       | —                      | —                           | 57,924                          |
| Interest in a jointly controlled entity | —                            | 17,341                 | —                           | 17,341                          |
| Total assets                            | <u>57,924</u>                | <u>17,341</u>          | <u>—</u>                    | <u>75,265</u>                   |

  

|   | 2008 (Restated)              |                        |                             |                                 |
|---|------------------------------|------------------------|-----------------------------|---------------------------------|
|   | Hong Kong<br><i>HK\$'000</i> | PRC<br><i>HK\$'000</i> | Overseas<br><i>HK\$'000</i> | Consolidated<br><i>HK\$'000</i> |
| Turnover                                | 109,345                      | —                      | 12,750                      | 122,095                         |
| Attributable to discontinued operations | (7,551)                      | —                      | (12,750)                    | (20,301)                        |
| Attributable to continuing operations   | <u>101,794</u>               | <u>—</u>               | <u>—</u>                    | <u>101,794</u>                  |
| Segment income                          | 14,827                       | —                      | 12,750                      | 27,577                          |
| Attributable to discontinued operations | (7,551)                      | —                      | (12,750)                    | (20,301)                        |
| Attributable to continuing operations   | <u>7,276</u>                 | <u>—</u>               | <u>—</u>                    | <u>7,276</u>                    |
| Segment assets                          | <u>98,886</u>                | <u>18,731</u>          | <u>2,521</u>                | <u>120,138</u>                  |

#### 4. LOSS BEFORE TAXATION

Loss before taxation is arrived at after (crediting) / charging:

|   | Continuing operations |            | Discontinued operations |            | Consolidated |            |
|---|-----------------------|------------|-------------------------|------------|--------------|------------|
|   | 2009                  | 2008       | 2009                    | 2008       | 2009         | 2008       |
|   | HK\$'000              | HK\$'000   | HK\$'000                | HK\$'000   | HK\$'000     | HK\$'000   |
|   |                       | (Restated) |                         | (Restated) |              | (Restated) |
| Interest income                                       | (618)                 | (3,508)    | (4)                     | (31)       | (622)        | (3,539)    |
| Dividend income from listed investments               | (88)                  | (19)       | —                       | —          | (88)         | (19)       |
| Auditor's remuneration                                | 380                   | 587        | —                       | 28         | 380          | 615        |
| Cost of inventories sold                              | —                     | —          | 9,192                   | 18,741     | 9,192        | 18,741     |
| Depreciation of fixed assets                          | 1,147                 | 1,007      | 981                     | 2,032      | 2,128        | 3,039      |
| Loss on disposal of fixed assets                      | 123                   | 143        | 30                      | 7          | 153          | 150        |
| (Gain) / Loss on disposal of subsidiaries             | —                     | (98)       | —                       | 630        | —            | 532        |
| Operating lease charges in respect of rented premises | 1,983                 | 1,609      | 919                     | 1,438      | 2,902        | 3,047      |
| Staff costs (including directors' emoluments)         |                       |            |                         |            |              |            |
| - salaries and allowances                             | 9,314                 | 14,562     | 1,822                   | 5,108      | 11,136       | 19,670     |
| - equity-settled share-based payments                 | 27,534                | 4,509      | —                       | —          | 27,534       | 4,509      |
| - contributions to retirement benefits schemes        | 182                   | 332        | 145                     | 329        | 327          | 661        |

#### 5. TAXATION

|                                      | 2009     | 2008     |
|--------------------------------------|----------|----------|
|                                      | HK\$'000 | HK\$'000 |
| <i>Continuing operations</i>         |          |          |
| Hong Kong:                           |          |          |
| Charge for the year                  | —        | 18       |
| Overprovision in prior years         | (14)     | —        |
|                                      | (14)     | 18       |
| <i>Discontinued operations</i>       |          |          |
| Overseas:                            |          |          |
| Charge for the year                  | 3        | 5        |
| Total (credit) / charge for the year | (11)     | 23       |

No provision for the Hong Kong Profits Tax has been made as the Group sustained losses for taxation purposes during year ended 31 March 2009. Hong Kong Profits Tax is calculated at 17.5% of the estimated assessable profit for the year ended 31 March 2008. The taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions in which the Group operates based on existing legislation, interpretations and practices in respect thereof.

## 6. DISCONTINUED OPERATIONS

On 25 September 2008, the Group entered into a sale and purchase agreement to dispose of its entire 70.16% interest in Unicla International Limited ("Unicla") together with a shareholder's loan of HK\$19,616,369 for a consideration of HK\$7,000,000. Unicla ceased to be a subsidiary of the Company in December 2008. The manufacturing and trading of automotive components business which was solely carried out by Unicla has become discontinued operations. The consolidated income statement and presentation of certain items of last corresponding year have been restated to comply with relevant requirements accordingly. In the same period of last year, the Group disposed of its entire interest in a subsidiary, which engaged in the provision of logistics services.

The results of these two business segments have been presented as discontinued operations. An analysis of the results of the discontinued operations is as follows:

|  | <i>Note</i> | <b>2009</b><br><b>HK\$'000</b> | 2008<br>HK\$'000<br>(Restated) |
|--|-------------|--------------------------------|--------------------------------|
| Turnover                                       |             | <b>10,279</b>                  | 20,301                         |
| Cost of sales                                  |             | <b>(9,192)</b>                 | (18,741)                       |
| Gross profit                                   |             | <b>1,087</b>                   | 1,560                          |
| Other income                                   |             | <b>237</b>                     | 142                            |
| Administrative expenses                        |             | <b>(3,686)</b>                 | (9,230)                        |
| Write-down of inventories                      |             | <b>(10,007)</b>                | (2,396)                        |
| Impairment on fixed assets                     |             | <b>(2,100)</b>                 | —                              |
| Impairment on goodwill                         |             | <b>—</b>                       | (3,973)                        |
| Loss before taxation                           | 4           | <b>(14,469)</b>                | (13,897)                       |
| Taxation                                       | 5           | <b>(3)</b>                     | (5)                            |
| Loss for the year                              |             | <b>(14,472)</b>                | (13,902)                       |
| Loss on disposal of subsidiaries               |             | <b>—</b>                       | (630)                          |
| Loss for the year from discontinued operations |             | <b>(14,472)</b>                | (14,532)                       |
| Attributable to:                               |             |                                |                                |
| Equity holders of the Company                  | 8           | <b>(13,949)</b>                | (11,269)                       |
| Minority interests                             |             | <b>(523)</b>                   | (3,263)                        |
|  |             | <b>(14,472)</b>                | (14,532)                       |

## 7. DIVIDEND

No dividend was paid or declared by the Company during the year (2008: Nil).

## 8. LOSS PER SHARE

### (a) *Basic loss per share*

#### *From continuing and discontinued operations*

The basic loss per share is calculated based on (i) the consolidated loss attributable to equity holders of the Company of HK\$72,155,000 (2008: restated HK\$61,226,000) and (ii) the weighted average number of 1,830,421,212 ordinary shares (2008: 1,810,306,193 ordinary shares) in issue during the year.

#### *From continuing operations*

The basic loss per share from continuing operations attributable to the equity holders of the Company is calculated as follows:

|   | <b>2009</b>     | 2008                   |
|---|-----------------|------------------------|
|   | <b>HK\$'000</b> | HK\$'000<br>(Restated) |
| Loss for the year attributable to equity holders of the Company                           |                 |                        |
| Loss for the year   | <b>72,155</b>   | 61,226                 |
| Less: Loss for the year from discontinued operations ( <i>Note 6</i> )                    | <b>(13,949)</b> | (11,269)               |
|   | <hr/>           | <hr/>                  |
| Loss for the year attributable to equity holder of the Company from continuing operations | <b>58,206</b>   | 49,957                 |
|   | <hr/> <hr/>     | <hr/> <hr/>            |

#### *From discontinued operations*

Basic loss per share from discontinued operations is HK\$0.0076 (2008: restated HK\$0.0062) which is calculated based on the loss for the year attributable to equity holders of the Company from discontinued operations of HK\$13,949,000 (2008: restated HK\$11,269,000).

The denominators used for basic loss per share from continuing and discontinued operations are the same as those detailed above.

### (b) *Diluted loss per share*

The share options outstanding had no dilutive effect on the basic loss per share for the years ended 31 March 2009 and 2008. Therefore, the diluted loss per share is the same as the basic loss per share for both years.

## 9. TRADE AND OTHER RECEIVABLES

|                          | <b>2009</b>            | 2008            |
|--------------------------|------------------------|-----------------|
|                          | <b><i>HK\$'000</i></b> | <i>HK\$'000</i> |
| Trade receivables        | <b>4,306</b>           | 6,002           |
| Deposits and prepayments | <b>1,083</b>           | 6,756           |
| Other receivables        | <b>1,208</b>           | 1,025           |
|                          | <u><b>6,597</b></u>    | <u>13,783</u>   |

Included in the balances are trade receivables with an aged analysis as follows:

|                                | <b>2009</b>            | 2008            |
|--------------------------------|------------------------|-----------------|
|                                | <b><i>HK\$'000</i></b> | <i>HK\$'000</i> |
| Within 1 month ( <i>Note</i> ) | <b>4,306</b>           | 5,974           |
| Between 2 to 3 months          | <b>—</b>               | 28              |
|                                | <u><b>4,306</b></u>    | <u>6,002</u>    |

*Note:* It included an amount of HK\$4,306,000 (2008: HK\$3,384,000) attributable to securities brokerage business with settlement terms of two trading days after the trade date.

Trading terms with customers are either on a cash basis or on credit. For those customers who trade on credit, a credit period is allowed according to the relevant business practice. Credit limits are set for customers. The Group seeks to maintain tight control over its outstanding receivables in order to minimise credit risk. Overdue balances are regularly reviewed by senior management.

Except for the receivables from securities brokerage business which bear interest at the prevailing Hong Kong Best Lending Rate plus 5% per annum, the remaining balances of trade receivables are non-interest bearing. The carrying amounts of receivables are approximate to their fair values.

## 10. TRADE AND OTHER PAYABLES

|                             | <b>2009</b>            | 2008            |
|-----------------------------|------------------------|-----------------|
|                             | <b><i>HK\$'000</i></b> | <i>HK\$'000</i> |
| Trade payables              | <b>3,711</b>           | 4,173           |
| Other payables and accruals | <b>1,256</b>           | 2,109           |
|                             | <u><b>4,967</b></u>    | <u>6,282</u>    |

## 10. TRADE AND OTHER PAYABLES (Continued)

Included in the balances are trade payables with an aged analysis as follows:

|                                 | 2009<br><i>HK\$'000</i> | 2008<br><i>HK\$'000</i> |
|---------------------------------|-------------------------|-------------------------|
| Within 3 months ( <i>Note</i> ) | <u>3,711</u>            | <u>4,173</u>            |

*Note:* It included an amount of HK\$3,711,000 (2008: HK\$2,670,000) attributable to securities brokerage business with settlement terms of two trading days after the trade date.

Except for the client payables in respect of the securities brokerage business which bear interest at rates approximate to prevailing market saving rates, the remaining balances of trade payables are non-interest bearing.

## 11. EVENTS AFTER THE BALANCE SHEET DATE

On 8 May 2009, the Company granted 122,020,000 share options (the "Options") at the exercise price of HK\$0.061 to its grantees. The Options granted are subject to a validity period of ten years from 8 May 2009 to 7 May 2019 with a vesting period of two years with 50%, 25% and 25% of the Options becoming exercisable 12 months, 18 months and 24 months after the date of grant respectively.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

During the year under review, the Group recorded turnover of approximately HK\$35.2 million from continuing operations, representing a decrease of approximately 65.5% when compared to that of the last financial year. The Group has reduced its administrative expenses by approximately 23.6% to approximately HK\$23.9 million as opposed to that of approximately HK\$31.2 million in the last financial year. However, the Group widened its loss for the year to approximately HK\$72.7 million from approximately HK\$64.5 million of last financial year. The increase in net loss for the year was primarily attributable to the increase in (i) equity-settled share-based payments which increased to approximately HK\$29.1 million from approximately HK\$6.0 million in the last financial year; and (ii) share of loss of a jointly controlled entity which amounted to approximately HK\$4.8 million (nil in the last financial year).

The Group's businesses in securities investment and provision of securities brokerage services have faced great challenge in the midst of the global financial tsunami. During the year under review, trading liquidity in Hong Kong stock market dropped substantially while the trading volatility increased remarkably. Under such unfavorable market situation, the Group turned to make a loss from its securities investment segment of approximately HK\$2.4 million (from a gain of approximately HK\$0.1 million in the last financial year), while its securities brokerage segment widened its segment loss to approximately HK\$3.5 million from approximately HK\$2.1 million in the last financial year.

In light of the continuous loss making operation under the Group's auto parts business, the Group entered into an agreement on 25 September 2008 to dispose of such business. During the year under review, the Group recorded a loss for the year from discontinued operations of approximately HK\$14.5 million. The directors are of the view that such loss is one-off in nature and the disposal is beneficial to the Group to improve the financial performance of the Group in the long run and to allow the Group to preserve more resources on exploring other potential business opportunities.

### **Prospects and Future Plan of the Group**

Looking forward, the management will continue to review its existing businesses from time to time and strive to improve the business operation and financial position of the Group.

In addition, the Group will continue to work with its joint venture partners, namely 北京密雲經濟開發區總公司 (General Corporation of Beijing Miyun Industrial Development Area) ("Miyun Corporation") and 北京華嘉企劃有限公司 (Beijing Huajia Enterprise Image Promotion Co., Ltd.) ("Beijing Huajia") to develop the business of the sino-foreign joint venture named "密之雲(北京) 呼叫產業基地有限公司" (Miyun (Beijing) Communication Company Limited) (the "JV Company"). Since the formation of the JV Company, a number of development plans & businesses have been reviewed and considered by the joint venture partners such as "development, operation and/or management of a call centre park in Miyun, Beijing whose scale may be up to approximately 3,000,000 square metres (i.e. approximately 4,500 mu)". As a start of such project, the JV Company has closely worked with the relevant authorities and has acquired the first piece of land of approximately 35,000 square metres (i.e. approximately 53 mu) in 2009. The Board is of the view that the formation of the JV Company represents an excellent opportunity for the Group to partner with the JV partners and, by leveraging on the governmental background of Miyun Corporation and the extensive business network of Beijing Huajia, to gain a foothold in various business sectors in Beijing as well as in the China market.

The objective of the Group is to establish a solid platform to invest in business sectors providing high and healthy growth through acquisition and development of projects with promising future. The Group will on one hand review, improve and develop its existing businesses (including the JV Company), and on the other hand will continue to proactively seek potential investment opportunities that could enhance the value to the shareholders.

### **Liquidity and Financial Resources**

As of 31 March 2009, the Group had (i) non-current assets of approximately HK\$20.0 million, which mainly comprised of fixed assets and interest in a jointly controlled entity, and (ii) current assets of approximately HK\$55.2 million, which comprised of trade and other receivables, and cash and bank balances. As of 31 March 2009, the Group had no borrowings and recorded net cash of approximately HK\$48.7 million.

### **Foreign Exchange Exposure**

The Group's transactions were mainly denominated in Hong Kong dollars and US dollars. As the Hong Kong dollars are pegged to the US dollars, the Group had no significant exposure to fluctuations in exchange rates and no financial instrument for hedging purposes was employed during the year under review.

## **Material Acquisitions and Disposals**

On 25 September 2008, the Group entered into a sale and purchase agreement for the disposal of its entire 70.16% interest in Unicla International Limited (“Unicla”) and part of the shareholder’s loan in the amount of approximately HK\$19.6 million due from Unicla to the Group at a total consideration of HK\$7 million. The disposal was approved at a special general meeting of the Company held on 14 November 2008. Unicla ceased to be a subsidiary of the Company in December 2008. Details of the disposal are set out in the circular of the Company dated 30 October 2008.

Save as disclosed above, the Group had no material acquisitions or disposals of subsidiaries or associated companies during the year ended 31 March 2009.

## **Pledge of Assets and Contingent Liabilities**

As at 31 March 2009, the Group did not pledge any kind of assets and had no significant contingent liabilities.

## **Employees and Remuneration Policies**

The Group had 23 employees as at 31 March 2009 (2008: 88 employees). Total staff costs (including directors’ emoluments and equity-settled share-based payments) during the year amounted to approximately HK\$39.0 million (2008: approximately HK\$24.8 million). The remuneration policies are determined with reference to the market conditions and individual performance of the staff. The Group has a share option scheme for the benefit of its directors and eligible employees.

## **Capital Commitment**

The Group had no capital commitments contracted for and not provided for as at 31 March 2009.

## **CORPORATE GOVERNANCE PRACTICES**

Throughout the year ended 31 March 2009, the Company applied the principles of and complied with all the code provisions of, the Code on Corporate Governance Practices (the “Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) except for the following deviation.

Subsequent to the resignation of Mr. Ryoji Furukawa as the Chairman of the Company on 16 October 2008, the Company has no Chairman. This constitutes a deviation from the code provisions A.2.1 to A.2.3 of the Code. The Company is in the process of identifying a suitable candidate to fill the vacancy for the Chairman and will issue an announcement when a new appointment is made.

Currently, Mr. Yip Chi Chiu is the Deputy Chairman and Chief Executive Officer of the Company. The Board is of the view that vesting the roles of Deputy Chairman and Chief Executive Officer in the same person will not impair the balance of power and authority between the Board and the management of the Company as the Board will meet regularly to consider major matters affecting the operations of the Group. Mr. Yip is mainly responsible for the day-to-day management of the Group’s business.



## **DIRECTORS' SECURITIES TRANSACTIONS**

During the year under review, the Company adopted the Model Code for Securities Transactions by Directors of Listed issuers (the "Model Code") set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions. All directors of the Company have confirmed, following specific enquiry by the Company, that throughout the year ended 31 March 2009 they complied with the required standard set out in the Model Code.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

The Company did not redeem any of its listed securities during the year ended 31 March 2009.

Neither the Company nor any of its subsidiaries purchased or sold any of the Company's listed securities during the year ended 31 March 2009.

## **REVIEW OF ANNUAL RESULTS**

The audit committee of the Company has reviewed with the management and the Company's independent auditor the audited results of the Group for the year ended 31 March 2009.

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

Hong Kong, 9 July 2009

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

\*\* *executive directors*

# *non-executive directors*

### *independent non-executive directors*

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