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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)**

**PLACING OF NEW SHARES PURSUANT TO GENERAL MANDATE**

**Placing Manager**



**Guotai Junan Securities (Hong Kong) Limited**

**THE PLACING AGREEMENT**

On 17 January 2010, the Company entered into the Placing Agreement with the Placing Manager pursuant to which the Company has conditionally agreed to place, through the Placing Manager, up to 366,084,242 Placing Shares at a price of HK\$0.73 per Placing Share on a best effort basis.

The maximum of 366,084,242 Placing Shares represent approximately (i) 19.9% of the existing issued share capital of the Company as at the date of this announcement; and (ii) 16.6% of the issued share capital of the Company as enlarged by the issue of a maximum of 366,084,242 Placing Shares.

Assuming all the 366,084,242 Placing Shares are successfully placed by the Placing Manager, the gross proceeds from the Placing will be approximately HK\$267.2 million. After taking into account the estimated expenses of approximately HK\$4.7 million in relation to the Placing, the net proceeds from the Placing of approximately HK\$262.5 will be used as general working capital of the Group. The net price per Placing Share is expected to be approximately HK\$0.72.

**Shareholders and potential investors should note that completion of the Placing is subject to the fulfilment of the conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

#### **LISTING RULES IMPLICATION**

The Placing Shares will be issued under the General Mandate which was granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the Company's annual general meeting on 20 August 2009. Further announcement will be made by the Company upon completion of the Placing.

#### **SUSPENSION OF TRADING IN THE SHARES**

Trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 18 January 2010 at the request of the Company pending the release of this announcement.

On 18 January 2010, the Company entered into an agreement with the Vendors in relation to the acquisition of the entire issued share capital in Union Grace Holdings Limited which constitutes a very substantial acquisition for the Company under the Listing Rules. In addition, the Company entered into a subscription agreement on 18 January 2010 in relation to the issue of new Shares to Jade Time under a specific mandate. Further announcement will be made by the Company as soon as practicable in this regard. In the circumstances, trading in the Shares will remain suspended pending the release of the aforesaid announcement.

## **THE PLACING AGREEMENT**

### **Date**

17 January 2010

### **Issuer**

The Company

### **Placing Manager**

Guotai Junan Securities (Hong Kong) Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Manager and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons and are not themselves connected persons of the Company.

### **Placing Shares**

Pursuant to the Placing Agreement, the Placing Manager agreed to procure, on a best effort basis, subscribers for a maximum of 366,084,242 Placing Shares at the Placing Price. The maximum of 366,084,242 Placing Shares represent approximately (i) 19.9% of the existing issued share capital of the Company as at the date of this announcement; and (ii) 16.6% of the issued share capital of the Company as enlarged by the issue of a maximum of 366,084,242 Placing Shares. Assuming all the 366,084,242 Placing Shares are successfully placed by the Placing Manager, the aggregate nominal value of the Placing Shares is approximately HK\$3.7 million.

### **Ranking of Placing Shares**

The Placing Shares will rank pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

### **Placing Price**

The Placing Price of HK\$0.73 represents:

- (i) a discount of approximately 18.9% to the closing price of HK\$0.9 per Share as quoted on the Stock Exchange on the Last Trading Day;

- (ii) a discount of approximately 18.0% to the average closing price of HK\$0.89 per Share in the last five consecutive trading days up to and including the Last Trading Day; and
- (iii) a premium of approximately 4.3% over the average closing price of HK\$0.70 per Share in the last ten consecutive trading days up to and including the Last Trading Day.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Manager on the date of the Placing Agreement with reference to the prevailing market prices of the Shares. The Directors (including the independent non-executive Directors) consider that the Placing Price is fair and reasonable.

### **Placees**

As advised by the Placing Manager, the Placing Shares will be placed to not less than six placees, who are individual, institutional or professional investors. The Placing Manager shall use its reasonable best endeavours to procure that the Placing Shares are placed with persons who are and whose ultimate beneficial owners are third parties (i) who are not and who will not as a result of the Placing become connected persons of the Company; and (ii) who are independent of, not connected with and not acting in concert with any connected person of the Company.

### **Conditions precedent to the Placing Agreement**

Completion of the Placing is conditional upon fulfilment of the following conditions:

- (i) the Listing Committee of the Stock Exchange agreeing to grant a listing of and permission to deal in the Placing Shares; and
- (ii) the Company obtaining all necessary written consents and approvals (if any) from the relevant authorities in respect of the transactions contemplated under the Placing Agreement, if applicable.

The Company shall use its best endeavours to procure the satisfaction of the above conditions not later than 28 February 2010 or such later date as the Company and the Placing Manager may agree. If the conditions above shall not be satisfied by 28 February 2010, the obligations of the Placing Manager and the Company under the Placing Agreement shall cease and determine and none of the parties thereto shall have any claim against the other in relation thereto save for all reasonable costs, charges, and expenses already incurred in accordance with the terms of the Placing Agreement.

## **Completion**

Completion of the Placing shall take place on the date falling three Business Days after all the conditions precedent to the Placing Agreement are satisfied (or such later date to be agreed in writing between the Company and the Placing Manager).

## **Termination and force majeure**

The Placing Agreement may be terminated by the Placing Manager if at any time prior to the date of completion of the Placing Agreement:

- (i) there develops, occurs or comes into force:
  - (a) any new law or regulation or any change in existing laws or regulations which in the reasonable opinion of the Placing Manager has or is likely to have a material adverse effect on the financial position of the Group as a whole; or
  - (b) any significant change (whether or not permanent) in local, national or international economic, financial, political or military conditions, securities market conditions or currency exchange rates or exchange controls, including without limitation any outbreak or escalation of hostilities, declaration by Hong Kong or elsewhere of a national emergency or other calamity or crisis, the effect of which in the reasonable opinion of the Placing Manager is or would be materially adverse to the success of the Placing, or makes it impracticable or inadvisable or inexpedient to proceed therewith; or
  - (c) the declaration of a banking moratorium by Hong Kong authorities, or any moratorium, suspension or material restriction on trading in shares or securities generally, or the establishment of minimum prices, on the Stock Exchange;
- (ii) any material breach of any of the representations, warranties and undertakings by the Company under the Placing Agreement comes to the knowledge of the Placing Manager or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the date of completion of the Placing which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations, warranties and undertakings untrue or incorrect or there has been a breach of, or failure to perform, any other provision of the Placing Agreement on the part of the Company; or

(iii) any change or any development involving a prospective change in the general affairs, prospects, earnings, business, properties, stockholders' equity or in the financial or trading position of the Group as a whole which in the reasonable opinion of the Placing Manager is so material and adverse as to make it impractical or inadvisable to proceed with the Placing,

then and in any such case, the Placing Manager may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company.

### **Placing commission**

The Placing Manager shall receive a placing commission of 1.75% of the amount equal to the Placing Price multiplied by the number of the Placing Shares successfully placed by the Placing Manager.

### **General Mandate**

The maximum of 366,084,242 Placing Shares will be issued and allotted under the General Mandate. As at the date of this announcement, the General Mandate has not been utilised since it was granted and the number of new Shares that could be issued by the Company under the General Mandate is 366,048,242 Shares.

### **Application for listing**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following chart sets out the possible effects of the Placing on the shareholding structure of the Company assuming no Shares are issued or repurchased during the period between the date of this announcement and the date of completion of the Placing:

	As at the date hereof		Upon completion of the Placing assuming a maximum of 366,084,242 Placing Shares are successfully placed	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Bright Success Holdings Limited (“Bright Success”) (Note 1)	73,142,471	4.0	73,142,471	3.3
Asset Managers (China) Fund Co., Ltd. (“AMCF”) (Note 2)	12,897,728	0.7	12,897,728	0.6
Best Effort International Limited (“Best Effort”) (Note 3)	322,341,020	17.5	322,341,020	14.6
CITIC International Assets Management Limited (Note 4)	166,400,000	9.1	166,400,000	7.6
Subtotal	574,781,219	31.3	574,781,219	26.1
Places under the Placing	—	—	366,084,242	16.6
Other public Shareholders	<u>1,262,159,993</u>	<u>68.7</u>	<u>1,262,159,993</u>	<u>57.3</u>
Total	<u>1,836,941,212</u>	<u>100.0</u>	<u>2,203,025,454</u>	<u>100.0</u>
Total public Shareholders (Note 5)	<u>1,262,159,993</u>	<u>68.7</u>	<u>1,628,244,235</u>	<u>73.9</u>

### Notes:

- Bright Success is owned as to 50% by each of Mr. Yip Chi Chiu, an executive Director, and his spouse, Ms. Lui Wai Kuen Brenda.
- AMCF is owned as to 50% by Asset Managers (Asia) Company Limited (“AMAC”) and as to 50% by MBK Co., Ltd.. AMAC is owned as to 70% by Asset Managers Holdings Co., Ltd. (“AMH”) and as to 30% indirectly by Mr. Yip Chi Chiu, an executive Director. AMH is owned as to approximately 36.39% by Ichigo Asset Management International, Pte. Ltd..
- Best Effort is a wholly-owned subsidiary of AMAC.

4. CITIC International Assets Management Limited is owned as to 40% by CITIC International Financial Holdings Limited and as to 25% by AMH. CITIC International Financial Holdings Limited is owned as to approximately 70.32% by China CITIC Bank Corporation Limited, which in turn is owned as to approximately 67.26% by CITIC Group.
5. Pursuant to the Placing Agreement, the Placing Manager will use its best endeavours to ensure that it receives a confirmation from each placee that such placee and its ultimate beneficial owner(s) is or are third parties (i) who are not and who will not as a result of the Placing become a connected person of the Company; and (ii) who are independent of, not connected with and not acting in concert with any connected person of the Company. Therefore, the shareholding of the placees will be treated as public upon completion of the Placing.

## **REASONS FOR THE PLACING**

The Directors consider that the Placing represents a good opportunity to raise capital for the Company and broaden the Shareholder base and capital base of the Company. The Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreement are fair and reasonable and that the Placing is in the interests of the Company and the Shareholders as a whole.

Assuming all the 366,084,242 Placing Shares are successfully placed by the Placing Manager, the gross proceeds from the Placing will be approximately HK\$267.2 million. After taking into account the estimated expenses of approximately HK\$4.7 million in relation to the Placing, the net proceeds from the Placing of approximately HK\$262.5 will be used as general working capital of the Group. The net price per Placing Share is expected to be approximately HK\$0.72.

## **EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

The Company had not carried out any equity fund raising exercise in the 12-month period immediately preceding the date of this announcement.

**Shareholders and potential investors should note that completion of the Placing is subject to the fulfilment of the conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## **LISTING RULES IMPLICATION**

The Placing Shares will be issued under the General Mandate which was granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the Company's annual general meeting on 20 August 2009. Further announcement will be made by the Company upon completion of the Placing.



## **SUSPENSION OF TRADING IN THE SHARES**

Trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 18 January 2010 at the request of the Company pending the release of this announcement.

On 18 January 2010, the Company entered into an agreement with the Vendors in relation to the acquisition of the entire issued share capital in Union Grace Holdings Limited which constitutes a very substantial acquisition for the Company under the Listing Rules. In addition, the Company entered into a subscription agreement on 18 January 2010 in relation to the issue of new Shares to Jade Time under a specific mandate. Further announcement will be made by the Company as soon as practicable in this regard. In the circumstances, trading in the Shares will remain suspended pending the release of the aforesaid announcement.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings:

“acting in concert”	has the meaning ascribed thereto in the Hong Kong Code on Takeovers and Mergers
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, a Sunday or a public holiday) on which banks are generally open for business in Hong Kong
“Company”	Jia Sheng Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

“General Mandate”	the general mandate which was granted to the Directors pursuant to an ordinary resolution passed at the Company’s annual general meeting on 20 August 2009 to issue and allot up to 366,084,242 new Shares, representing 20% of the aggregate nominal amount of the share capital of the Company in issue on the date thereof
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Jade Time”	Jade Time Investments Limited, a company indirectly wholly-owned by Mr. Li Ka-shing
“Last Trading Day”	15 January 2010, being the last trading day for the Shares on the Stock Exchange before the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placing”	the placing of up to 366,084,242 Placing Shares on a best effort basis
“Placing Agreement”	the agreement entered into between the Company and the Placing Manager dated 17 January 2010 in respect of the Placing
“Placing Manager”	Guotai Junan Securities (Hong Kong) Limited, a corporation licensed to carry on type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Price”	HK\$0.73 per Placing Share
“Placing Shares”	a maximum of 366,084,242 Shares to be issued under the Placing
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendors”	collectively, Mei Li New Energy Limited, Union Ever Holdings Limited, Silver Ride Group Limited, Glorious China Investments Limited, Long Hing International Limited and Idea Lab Capital Co., Ltd
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

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

Hong Kong, 19 January 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>