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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)

RESPONSE TO COMPLAINTS, CLARIFICATION OF PRESS ARTICLE AND RESUMPTION OF TRADING

Reference is made to the circular of the Company dated 3 May 2010 (the “Circular”). Capitalized terms used herein have the meanings assigned to them in the Circular.

The complaints on the PRC Operating Companies and the Target Group

On 10 May 2010 and 17 May 2010, the directors (the “Directors”) of Jia Sheng Holdings Limited (the “Company”), were informed by the Stock Exchange of certain complaints (the “Complaints”) received by the Stock Exchange. The Directors wish to make the clarifications as set out below.

The Complaints alleged that (i) the announcement of the Company dated 25 January 2010 discloses that the PRC Operating Companies are currently capable of producing lithium batteries with unit capacities ranging from 30 AH to 10,000 AH, but the PRC Operating Companies have never produced or sold lithium batteries with unit capacities of 10,000 AH; (ii) the electric batteries did not pass the specified testing requirements of the PRC authorities; (iii) the Target Group is restricted from selling electric battery products in the United States (the “US”), as Mr. Chung and the PRC Operating Companies had authorized International Battery, Inc. in the US to produce and distribute the electric battery products in the US market on an exclusive basis; and (iv) the rights of the Target Group to use the Licensed Patents under the Patent License Deed are in fact not on an exclusive basis because Mr. Chung had previously granted similar exclusive rights to various parties to produce electric vehicle batteries.

Allegation (i)

Mr. Chung has confirmed to the Company that he had invented and produced (through a different company wholly owned by him) rechargeable Lithium-ion batteries with unit capacities of 10,000 AH in 2006. Pursuant to the Patent License Deed dated 18 January 2010 entered into between the relevant licensors and Thunder Sky (HK), Thunder Sky (HK) will have the right to use certain patents to produce, through the PRC Operating Companies, Electric Battery Products with unit capacities of up to 10,000 AH. Although the PRC Operating Companies have not produced or sold any batteries with unit capacities of 10,000 AH, the PRC Operating Companies are currently capable of producing such batteries through the patent licensing arrangements.

Allegation (ii)

The Company's PRC counsel has advised that under PRC laws and regulations, there is currently no mandatory requirement for Electric Battery Products used in electric vehicles to satisfy any national standards or testing requirements before such Electric Battery Products can be sold in the PRC. The Vendors and the Company's PRC counsel have also informed the Company that there are many testing centres in the PRC that are capable of conducting such tests on electric batteries.

As disclosed in the Circular, the Vendors have confirmed to the Company that the Electric Battery Products having unit capacities of 300 AH manufactured by the PRC Operating Companies had passed the tests conducted by 信息產業部通信電源產品質量監督檢驗中心 (Quality Control and Testing Centre for Communication and Electric Products of the Ministry of Industry and Information Technology*) (the "Ministry of Information Testing Centre"), which conducts tests on electric batteries used in telecommunication equipment as well as in electric vehicles. The Electric Battery Products, which had undergone the testing conducted by the Ministry of Information Testing Centre, can be sold to manufacturers of electric vehicles in the PRC. As disclosed in the Circular, the Directors consider that the quality of the Electric Battery Products with unit capacities of 400 AH is well supported by the testing results conducted by the laboratory of JBI Corporation. The Vendors have informed the Company that the Electric Battery Products with unit capacities of 700 AH have also been sent to the Ministry of Information Testing Centre for testing and that there have been no indication of any problems in such Electric Battery Products.

The complainant alleged that the electric battery products had not passed the tests conducted by 北方汽車質量監督檢驗鑒定試驗所 (Northern Vehicles Quality Supervision Testing Laboratory*) (the "Northern Laboratory"). Contrary to these allegations, the Vendors have confirmed to the Company that the electric batteries manufactured by 雷天綠色電動源(深圳)有限公司 (Thunder Sky Green Power

Source (Shenzhen Limited*) (“深圳雷天綠色電動源有限公司”) had, in July 2001, December 2001, April 2002 and August 2006, passed the tests conducted by the Northern Laboratory, of which Mr. Wang Zidong (who had made certain remarks in a press article appearing on Ming Pao dated 18 May 2010 (the “Article”) as described below) was one of the persons in charge, in respect of electric batteries with unit capacities of 100 AH, 100 AH, 200 AH and 350 AH, respectively. As disclosed in the Circular, the PRC Operating Companies have secured a product liability insurance policy with an international insurance company, pursuant to which the product liability coverage for the Electric Battery Products amounts to US\$2 million. The Directors consider this as additional support to the quality and safety standard of the Electric Battery Products.

Allegation (iii)

The Target Group is not in any way restricted from the production and sale of Electric Battery Products of 200 AH and above in the US, since the exclusive right to use the patent to produce and sell such Electric Battery Products has been licensed to Thunder Sky (HK) pursuant to the Patent License Deed. The Vendors have also confirmed to the Company that production and sale of such Electric Battery Products in the US through International Battery, Inc. had ceased in early 2009.

Allegation (iv)

Mr. Chung has advised the Company that he had licensed the patents to produce and sell electric batteries of unit capacities of less than 200 AH to two companies in Ningbo, the PRC and Henan, the PRC, respectively. The exclusive rights of the Target Group to use the Licensed Patents under the Patent License Deed to manufacture and sell Electric Battery Products of 200 AH and above are in no way affected by these two licenses.

The press article on Ming Pao

The Directors have noted the Article about the battery products manufactured by the Thunder Sky group.

The Article alleged that (i) there is no relationship between the 鋰動力電池研發中心 (Research and Development Centre for Dynamic Lithium Battery*) (the “Research Centre”) and 中華人民共和國863計劃 (the State High-Tech Development Plan*) (the “863 Plan”); (ii) Mr. Chung was not appointed as the chief scientist and the director of the Research Centre; (iii) the Electric Battery Products had not passed the requisite tests for sale in the PRC; and (iv) the court in Shenzhen had ordered the bank accounts of 深圳雷天綠色電動源有限公司 to be frozen.

In response to the allegations above, the Board wishes to state that to the best of the Directors' knowledge, information and belief having made all reasonable enquiries with the Vendors,

- (i) according to an approval dated 13 July 2001 issued by 中華人民共和國科學技術部 (Ministry of Science and Technology of the PRC*) to the Shenzhen city government, the Ministry of Science and Technology of the PRC had agreed that the Shenzhen city government, 科技部高技術研究發展中心 (High-Tech Research and Development Centre of the Ministry of Science and Technology*) and 深圳雷天綠色電動源有限公司 jointly established the Research Centre in Shenzhen to implement the 863 Plan, including conducting research and development in different types of lithium batteries, and the development and utilization of lithium battery technology in the PRC;
- (ii) according to an appointment letter dated 15 July 2001 issued by the Research Centre, Mr. Chung was appointed as the chief scientist and the director of the Research Centre. Mr. Chung has also confirmed to the Company that he was, as of the date of the Circular (i.e. 3 May 2010) and still is, the director and chief scientist of the Research Centre;
- (iii) the Article alleges that all the batteries used in the electric vehicles are required to pass the tests conducted by the 電動車重大專項動力電池測試中心 (Electric Vehicles Major and Specialized Dynamic Batteries Testing Centre*) (the "Electric Batteries Testing Centre"), allegedly a government organization, otherwise such batteries may not be sold in the PRC. The Article also reported remarks made by Mr. Wang Zidong that the batteries manufactured by the Thunder Sky group had never passed any tests conducted by the Electric Batteries Testing Centre between 2001 and 2005.

The Directors consider these allegations to be incorrect. First, the Company's PRC counsel has advised the Company that under PRC laws and regulations, there is currently no mandatory requirement for Electric Battery Products to satisfy any national standard or testing requirements before such Electric Battery Products used in electric vehicles can be sold in the PRC.

Second, the Vendors have confirmed to the Company that the electric batteries manufactured by 深圳雷天綠色電動源有限公司 had, in July 2001, December 2001, April 2002 and August 2006, passed the tests conducted by the Northern Laboratory, of which Mr. Wang Zidong was one of the persons in charge, in respect of electric batteries with unit capacities of 100 AH, 100 AH, 200 AH and 350 AH, respectively. The Electric Batteries Testing Centre is not the only testing centre (whether government-related or not) in the PRC which is able to carry out such tests; and

(iv) although the Vendors have informed the Company that a few of the bank accounts of 深圳雷天綠色電動源有限公司 have been frozen, the Vendors have also confirmed to the Company that the intellectual property rights held by 深圳雷天綠色電動源有限公司 to be licensed to the Company pursuant to the Separate License Deed is not subject to any order of the court to be seized or frozen.

The Directors consider the allegations described above in the Article to be incorrect and unfounded.

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 9:43 a.m. on 18 May 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 19 May 2010 following the release of this announcement.

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, 18 May 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>

** for identification only*