

# 2008

## INTERIM REPORT

**JIA SHENG HOLDINGS LIMITED**

Incorporated in Bermuda with limited liability  
Stock Code: 729



**JIA SHENG**  
Holdings Limited





The board of directors (the “Board”) of Jia Sheng Holdings Limited (the “Company”) presents the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (together, the “Group”) for the six months ended 30 September 2008.

**CONDENSED CONSOLIDATED INCOME STATEMENT**

		<b>Six months ended</b>	
		<b>30.9.2008 (unaudited) HK\$'000</b>	30.9.2007 (unaudited) HK\$'000 (restated)
<b>Continuing operations</b>	<i>Note</i>		
Proceeds from sale of trading securities		<b>26,253</b>	24,047
Net (loss) / gain from trading securities		<b>(980)</b>	1,022
Securities brokerage income		<b>379</b>	2,171
Dividend income		<b>86</b>	—
Interest income		<b>343</b>	1,939
		<b>(172)</b>	5,132
Other income		<b>12</b>	255
Administrative expenses		<b>(13,467)</b>	(19,581)
Equity-settled share-based payments		<b>(25,050)</b>	(995)
Net fair value loss on listed financial assets at fair value through profit or loss		<b>(406)</b>	—
Impairment on available-for-sale financial assets		—	(4,100)
Impairment on goodwill		—	(1,648)
Share of results of a jointly controlled entity		<b>(1,479)</b>	—
<b>Loss before taxation</b>	3	<b>(40,562)</b>	(20,937)
Taxation	4	—	(60)
<b>Loss for the period from continuing operations</b>		<b>(40,562)</b>	(20,997)
<b>Discontinued operations</b>	5		
Loss for the period from discontinued operations		<b>(13,808)</b>	(5,735)
<b>Loss for the period</b>		<b>(54,370)</b>	(26,732)
<b>Attributable to:</b>			
Equity holders of the Company		<b>(53,849)</b>	(25,423)
Minority interests		<b>(521)</b>	(1,309)
		<b>(54,370)</b>	(26,732)
		<b>HK\$</b>	<b>HK\$</b> (restated)
<b>Loss per share attributable to equity holders of the Company for the period</b>	6		
<b>From continuing and discontinued operations</b>			
– Basic		<b>(0.0297)</b>	(0.0142)
– Diluted		<b>N/A</b>	N/A
<b>From continuing operations</b>			
– Basic		<b>(0.0224)</b>	(0.0117)
– Diluted		<b>N/A</b>	N/A
<b>Interim dividend</b>	7	—	—

**CONDENSED CONSOLIDATED BALANCE SHEET**

	Note	30.9.2008 (unaudited) HK\$'000	31.3.2008 (audited) HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment	8	3,081	7,482
Interest in a jointly controlled entity	9	20,527	—
Other operating assets		230	230
		<b>23,838</b>	7,712
<b>Current assets</b>			
Inventories		—	19,565
Financial assets at fair value through profit or loss		2,148	—
Trade and other receivables	10	6,449	13,783
Cash and bank balances	11	44,511	79,078
		<b>53,108</b>	112,426
Assets classified as held for sale	12	10,186	—
		<b>63,294</b>	112,426
<b>Current liabilities</b>			
Trade and other payables	13	1,817	6,282
Provision for taxation		—	16
		<b>1,817</b>	6,298
Liabilities classified as held for sale	12	802	—
		<b>2,619</b>	6,298
<b>Net current assets</b>		<b>60,675</b>	106,128
<b>NET ASSETS</b>		<b>84,513</b>	113,840
<b>CAPITAL AND RESERVES</b>			
Share capital	14	18,304	18,304
Reserves		66,209	95,010
Equity attributable to equity holders of the Company		<b>84,513</b>	113,314
Minority interests		—	526
<b>TOTAL EQUITY</b>		<b>84,513</b>	113,840



## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Unaudited

	Attributable to equity holders of the Company											
	Share capital HK\$'000	Share premium HK\$'000	Exchange reserve HK\$'000	Contributed surplus HK\$'000	Capital redemption reserve	Enterprises development reserve	Share option		Accumulated losses HK\$'000	Total HK\$'000	Minority interests HK\$'000	Total equity HK\$'000
					reserve HK\$'000	reserve HK\$'000	reserve HK\$'000	HK\$'000				
At 1 April 2008	18,304	196,161	82	15,506	1,868	—	6,147	(124,754)	113,314	526	113,840	
Lapse of share options	—	—	—	—	—	—	(335)	335	—	—	—	
Issue of share options	—	—	—	—	—	—	25,050	—	25,050	—	25,050	
Exchange difference on translation of the financial statements of foreign subsidiaries	—	—	(2)	—	—	—	—	—	(2)	(5)	(7)	
Loss for the period	—	—	—	—	—	—	—	(53,849)	(53,849)	(521)	(54,370)	
At 30 September 2008	18,304	196,161	80	15,506	1,868	—	30,862	(178,268)	84,513	—	84,513	
At 1 April 2007	17,139	165,353	254	15,506	1,868	803	8,582	(63,611)	145,894	4,646	150,540	
Proceeds from shares issued upon exercise of share options	1,165	22,410	—	—	—	—	—	—	23,575	—	23,575	
Transfer of reserve	—	8,398	—	—	—	—	(8,398)	—	—	—	—	
Lapse of share options	—	—	—	—	—	—	(9)	9	—	—	—	
Cancellation of share options	—	—	—	—	—	—	(74)	74	—	—	—	
Issue of share options	—	—	—	—	—	—	995	—	995	—	995	
Purchase of additional interest in subsidiaries	—	—	—	—	—	—	—	—	—	(869)	(869)	
Exchange difference on translation of the financial statements of foreign subsidiaries	—	—	44	—	—	—	—	—	44	—	44	
Loss for the period	—	—	—	—	—	—	—	(25,423)	(25,423)	(1,309)	(26,732)	
At 30 September 2007	18,304	196,161	298	15,506	1,868	803	1,096	(88,951)	145,085	2,468	147,553	

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

Six months ended

	<b>30.9.2008</b> <b>(unaudited)</b> <b>HK\$'000</b>	30.9.2007 (unaudited) HK\$'000
Net cash used in operating activities	<b>(10,283)</b>	(29,256)
Net cash used in investing activities	<b>(23,496)</b>	(2,324)
Net cash generated from financing activities	—	23,575
Net decrease in cash and cash equivalents	<b>(33,779)</b>	(8,005)
Cash and cash equivalents at the beginning of the period	<b>79,078</b>	108,356
Cash and cash equivalents at the end of the period	<b>45,299</b>	100,351
Analysis of the balances of cash and cash equivalents:		
Cash and bank balances	<b>44,511</b>	100,351
Cash and bank balances included in assets classified as held for sale	<b>788</b>	—
	<b>45,299</b>	100,351



## **NOTES TO THE INTERIM FINANCIAL STATEMENTS**

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

The interim financial statements are unaudited, condensed and have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants.

The accounting policies and basis of preparation adopted in the preparation of these condensed consolidated interim financial statements are consistent with those used in the Group’s audited financial statements for the year ended 31 March 2008, except in relation to the following new / revised Hong Kong Financial Reporting Standards (“HKFRSs”), HKASs and Interpretations (hereinafter collectively referred to as the “new / revised HKFRSs”), which have become effective for accounting periods beginning on or after 1 April 2008, that are adopted for the first time for the current period’s financial statements:

HKAS 39 and HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC) — Int 12	Service Concession Arrangements
HK(IFRIC) — Int 14	HKAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the above new / revised HKFRSs has no material impact on the accounting policies of the Group and the methods of computation in the Group’s condensed consolidated interim financial statements.

## 1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

The Group has not early applied the following new / revised HKFRSs which are issued but not yet effective in the current interim period. The Group is in the process of assessing the potential impact and expects that the application of these new / revised HKFRSs will have no material impact on the results and the financial position of the Group.

HKFRSs (Amendments)	Improvements to HKFRSs <sup>5</sup>
HKAS 1 (Revised)	Presentation of Financial Statements <sup>1</sup>
HKAS 23 (Revised)	Borrowing Costs <sup>1</sup>
HKAS 27 (Revised)	Consolidated and Separate Financial Statements <sup>2</sup>
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation <sup>1</sup>
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate <sup>1</sup>
HKFRS 2 (Amendments)	Share-based Payment – Vesting Conditions and Cancellations <sup>1</sup>
HKFRS 3 (Revised)	Business Combinations <sup>2</sup>
HKFRS 8	Operating Segments <sup>1</sup>
HK(IFRIC) — Int 13	Customer Loyalty Programmes <sup>3</sup>
HK(IFRIC) — Int 15	Agreements for the Construction of Real Estate <sup>1</sup>
HK(IFRIC) — Int 16	Hedges of a Net Investment in a Foreign Operation <sup>4</sup>

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

<sup>2</sup> Effective for annual periods beginning on or after 1 July 2009.

<sup>3</sup> Effective for annual periods beginning on or after 1 July 2008.

<sup>4</sup> Effective for annual periods beginning on or after 1 October 2008.

<sup>5</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.

## 2. TURNOVER AND SEGMENT INFORMATION

Segment information is presented by way of business segment as the primary segment reporting format.

The Group's operating businesses are structured and managed separately, according to the nature of their operations. The Group's business segments represent different strategic business units which are subject to risks and returns that are different from those of the other business segments. Descriptions of the business segments are as follows:

- (a) the securities investment segment includes dealings and trading in securities;
- (b) the securities brokerage segment provides securities brokerage services;



**2. TURNOVER AND SEGMENT INFORMATION** (Continued)

- (c) the treasury investment segment represents investments in cash market;
- (d) the manufacturing and trading of automotive components business, which was classified as discontinued operations with details stated in note 5; and
- (e) the provision of logistics services, which was disposed of in August 2007.

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

For the six months ended 30.9.2008

	Continuing operations				Discontinued operations				Consolidated HK\$'000
	Securities investment	Securities brokerage	Treasury investment	Inter- segment elimination	Sub-total	Manufacturing and trading of automotive components	Logistics services	Sub-total	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Proceeds from sale of trading securities	26,253	—	—	—	26,253	—	—	—	26,253
Net loss from trading securities	(980)	—	—	—	(980)	—	—	—	(980)
Securities brokerage income	—	379	—	—	379	—	—	—	379
Sale of automotive components	—	—	—	—	—	7,723	—	7,723	7,723
Dividend income	86	—	—	—	86	—	—	—	86
Interest income	—	—	343	—	343	—	—	—	343
	(894)	379	343	—	(172)	7,723	—	7,723	7,551
Other income	2	7	3	—	12	232	—	232	244
	(892)	386	346	—	(160)	7,955	—	7,955	7,795
Segment results	(1,689)	(1,915)	346	—	(3,258)	(13,805)	—	(13,805)	(17,063)
Unallocated group expenses					(35,825)			—	(35,825)
Share of results of a jointly controlled entity					(1,479)			—	(1,479)
Loss before taxation					(40,562)			(13,805)	(54,367)
Taxation					—	(3)	—	(3)	(3)
Loss for the period					(40,562)			(13,808)	(54,370)



## 2. TURNOVER AND SEGMENT INFORMATION (Continued)

For the six months ended 30.9.2007 (restated)

	Continuing operations				Discontinued operations				Consolidated HK\$'000
	Securities investment HK\$'000	Securities brokerage HK\$'000	Treasury investment HK\$'000	Inter- segment elimination HK\$'000	Sub-total HK\$'000	Manufacturing and trading of automotive components HK\$'000	Logistics services HK\$'000	Sub-total HK\$'000	
Proceeds from sale of trading securities	24,047	—	—	—	24,047	—	—	—	24,047
Net gain from trading securities	1,022	—	—	—	1,022	—	—	—	1,022
Securities brokerage income	—	2,171	—	—	2,171	—	—	—	2,171
Income from discontinued operations	—	—	—	—	—	10,223	1,432	11,655	11,655
	1,022	2,171	—	—	3,193	10,223	1,432	11,655	14,848
Other income	—	—	—	—	—	348	—	348	348
Inter-segment	—	4	—	(4)	—	—	—	—	—
	1,022	2,175	—	(4)	3,193	10,571	1,432	12,003	15,196
Segment results	342	(791)	—	—	(449)	(3,639)	(420)	(4,058)	(4,508)
Unallocated other income					2,194			—	2,194
Unallocated group expenses					(16,934)			—	(16,934)
Impairment on available-for-sale financial assets					(4,100)			—	(4,100)
Impairment on goodwill					(1,648)			—	(1,648)
Loss on disposal of a subsidiary					—			(1,676)	(1,676)
Loss before taxation					(20,937)			(5,735)	(26,672)
Taxation					(60)			—	(60)
Loss for the period					(20,997)			(5,735)	(26,732)



### 3. LOSS BEFORE TAXATION

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

	Six months ended	
	30.9.2008 (unaudited) HK\$'000	30.9.2007 (unaudited) HK\$'000 (restated)
<b>Continuing operations</b>		
Interest income	(352)	(2,174)
Dividend income from listed investments	(86)	—
Depreciation	532	373
Loss on disposal of property, plant and equipment	124	23
<b>Discontinued operations</b>		
Interest income	(4)	(18)
Cost of inventories sold	6,469	9,285
Depreciation	981	1,048
Write-down of inventories	10,007	416
Impairment on property, plant and equipment	2,100	—
Loss on disposal of property, plant and equipment	16	—

### 4. TAXATION

	Six months ended	
	30.9.2008 (unaudited) HK\$'000	30.9.2007 (unaudited) HK\$'000
<b>Current taxation</b>		
<b>Continuing operations</b>		
Hong Kong	—	60
<b>Discontinued operations</b>		
Overseas	3	—
Total charge for the period	3	60

Hong Kong profits tax has been provided at the rate of 16.5% (2007: 17.5%) on the estimated assessable profits arising in Hong Kong during the period. The taxation for other jurisdictions is calculated at the tax rates prevailing in the respective jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

## 5. DISCONTINUED OPERATIONS

On 25 September 2008, the Group entered into a sale and purchase agreement to sell its entire 70.16% interest in Unicla International Limited ("Unicla") together with part of the shareholder's loan. 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 would become discontinued operations. The consolidated income statement and presentation of certain items of last corresponding period 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 the above two business segments are presented in the condensed interim financial statements as discontinued operations. An analysis of the results of the discontinued operations is as follows:

	<b>Six months ended</b>	
	<b>30.9.2008 (unaudited) HK\$'000</b>	30.9.2007 (unaudited) HK\$'000 (restated)
Sale of automotive components and provision of logistics services	<b>7,723</b>	11,655
Other income	<b>232</b>	348
	<b>7,955</b>	12,003
Cost of sales	<b>(6,469)</b>	(10,967)
Gross profit	<b>1,486</b>	1,036
Administrative expenses	<b>(3,184)</b>	(4,679)
Write-down of inventories	<b>(10,007)</b>	(416)
Impairment on property, plant and equipment	<b>(2,100)</b>	—
Loss before taxation	<b>(13,805)</b>	(4,059)
Taxation	<b>(3)</b>	—
Loss for the period	<b>(13,808)</b>	(4,059)
Loss on disposal of a subsidiary	—	(1,676)
Loss for the period from discontinued operations	<b>(13,808)</b>	(5,735)



**5. DISCONTINUED OPERATIONS** (Continued)

The cash flows attributable to the discontinued operations are as follows:

	<b>Six months ended</b>	
	<b>30.9.2008 (unaudited) HK\$'000</b>	30.9.2007 (unaudited) HK\$'000 (restated)
Net cash inflows / (outflows) from operating activities	<b>3,326</b>	(8,246)
Net cash inflows / (outflows) from investing activities	<b>50</b>	(328)
Net cash (outflows) / inflows from financing activities	<b>(3,700)</b>	9,600
Total cash and cash equivalents (outflows) / inflows	<b>(324)</b>	1,026

**6. 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\$53,849,000 (2007: HK\$25,423,000) and on (ii) the weighted average number of 1,810,306,193 ordinary shares (2007: 1,790,191,174 ordinary shares) in issue during the six months period.

***From continuing operations***

The basic loss per share from continuing operations attributable to the equity holders of the Company is based on the following information:

	<b>Six months ended</b>	
	<b>30.9.2008 (unaudited) HK\$'000</b>	30.9.2007 (unaudited) HK\$'000 (restated)
Loss for the period attributable to equity holders of the Company		
Loss for the period	<b>53,849</b>	25,423
Less: Loss for the period from discontinued operations	<b>(13,287)</b>	(4,426)
Loss for the purpose of basic loss per share from continuing operations	<b>40,562</b>	20,997

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

**6. LOSS PER SHARE** *(Continued)*

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

***From discontinued operations***

Basic loss per share from discontinued operations is HK\$0.0073 (2007 restated: HK\$0.0025) which is calculated based on the loss for the period attributable to equity holders of the Company from discontinued operations of HK\$13,287,000 (2007 restated: HK\$4,426,000). The denominators used are the same as those detailed above for basic loss per share from continuing and discontinued operations.

**(b) Diluted loss per share**

No diluted loss per share is presented for the six months ended 30 September 2008 and 2007 as the share options outstanding during these periods had an anti-dilutive effect on basic loss per share for these periods.

**7. INTERIM DIVIDEND**

The Board has resolved not to declare an interim dividend for the period (2007: nil).

**8. PROPERTY, PLANT AND EQUIPMENT**

During the period, the Group spent approximately HK\$1,540,000 (31.3.2008: HK\$1,918,000) on property, plant and equipment and also disposed of property, plant and equipment with aggregate net book value of approximately HK\$189,000 (31.3.2008: HK\$859,000). The amount of HK\$2,139,000 was classified as assets held for sale (31.3.2008: nil).

**9. INTEREST IN A JOINTLY CONTROLLED ENTITY**

The amount represents the Group's share of 39% equity interests in 密之雲(北京) 呼叫產業基地有限公司 (Mizhiyun (Beijing) Communication Company Limited), a sino-foreign joint venture company ("JV Company") established under the laws of the People's Republic of China ("PRC"). The business scope of the JV Company mainly covers data capture, database development, development and construction of call centres and related facilities, communication network technology, computer software, sales of technology, investment and information advisory services.



**10. TRADE AND OTHER RECEIVABLES**

	<b>30.9.2008 (unaudited) HK\$'000</b>	31.3.2008 (audited) HK\$'000
Trade receivables	2,613	6,002
Deposits and prepayments	3,790	6,756
Other receivables	46	1,025
	<b>6,449</b>	<b>13,783</b>

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

	<b>30.9.2008 (unaudited) HK\$'000</b>	31.3.2008 (audited) HK\$'000
Within 1 month ( <i>Note</i> )	2,613	5,974
Between 2 and 3 months	—	28
	<b>2,613</b>	<b>6,002</b>

*Note:* Included an amount of HK\$1,058,000 (31.3.2008: HK\$3,384,000) attributable to securities brokerage business with settlement terms at two trade days after the trade date.

Trading terms with customers are either on a cash basis or credit. For those customers who trade on credit, a credit period is allowed according to 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 receivables from securities brokerage business which bear interest at the prevailing Best Lending Rate plus 5% per annum, the balances of trade receivables are non-interest bearing. The carrying amounts of the receivables are approximate to their fair values.

**11. CASH AND BANK BALANCES**

One of the subsidiaries maintains trust bank accounts with an authorised financial institution in the normal course of business transactions. As at 30 September 2008, trust bank balances not dealt with in these interim financial statements amounted to HK\$2,094,000 (31.3.2008: HK\$1,283,000).

**12. ASSETS / LIABILITIES HELD FOR SALE**

The Group entered into a sale and purchase agreement on 25 September 2008 to sell 70.16% interest in Unicla together with part of shareholder's loan due from Unicla to the Group in the amount of approximately HK\$19.6 million at a total consideration of HK\$7 million. As at 30 September 2008, the disposal was yet to be completed subject to the approval of the Company's independent shareholders. Such approval was obtained 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. The assets and liabilities attributable to Unicla have been classified as a disposal group held for sale and are presented separately in the condensed consolidated balance sheet.

The operation of Unicla is classified under the manufacturing and trading of automotive components activity for segment reporting purposes. As the Group's attributable portion of net carrying amount of the relevant assets and liabilities exceeds the net proceeds from the disposal, an impairment loss of totally HK\$12,107,000 has been recognised during the period.

The major classes of assets and liabilities of Unicla classified as held for sale as at 30 September 2008 (31.3.2008: nil) are as follows:

	<b>Fair value upon being classified as held for sale (unaudited) HK\$'000</b>
<b>Assets</b>	
Property, plant and equipment	2,139
Inventories	6,190
Trade and other receivables	1,069
Cash and bank balances	788
	<hr/>
Assets classified as held for sale	10,186
	<hr/>
<b>Liabilities</b>	
Trade and other payables	649
Provision for taxation	3
Loan from minority shareholder	150
	<hr/>
Liabilities classified as held for sale	802
	<hr/>
Net assets classified as held for sale	9,384



**13. TRADE AND OTHER PAYABLES**

	<b>30.9.2008 (unaudited) HK\$'000</b>	31.3.2008 (audited) HK\$'000
Trade payables	<b>1,017</b>	4,173
Other payables and accruals	<b>800</b>	2,109
	<b>1,817</b>	6,282

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

	<b>30.9.2008 (unaudited) HK\$'000</b>	31.3.2008 (audited) HK\$'000
Within 1 month ( <i>Note</i> )	<b>1,017</b>	2,670
Between 2 and 3 months	<b>—</b>	1,503
	<b>1,017</b>	4,173

*Note:* The amount was attributable to securities brokerage business with settlement terms at two trade days after the trade date.

Except for certain client payables in respect of the securities brokerage business which bear interest at rates approximate to prevailing market saving rates, the balances of trade payables are non-interest bearing. The carrying amounts of the payables are approximate to their fair values.



14. SHARE CAPITAL

	30.9.2008		31.3.2008	
	(unaudited) No. of shares '000	(unaudited) HK\$'000	(audited) No. of shares '000	(audited) HK\$'000
<b>Authorised:</b>				
At beginning and at end of the period / year Ordinary shares of HK\$0.01 each	50,000,000	500,000	50,000,000	500,000
<b>Issued and fully paid:</b>				
At beginning of the period / year Ordinary shares of HK\$0.01 each	1,830,421	18,304	1,713,875	17,139
Exercise of share options ( <i>Note</i> )	—	—	116,546	1,165
At end of the period / year Ordinary shares of HK\$0.01 each	1,830,421	18,304	1,830,421	18,304

*Note:*

During last year, options to subscribe for 116,546,052 ordinary shares of the Company were exercised. The net consideration was HK\$23,575,479 of which HK\$1,165,460 was credited to share capital account and the balance of HK\$22,410,019 was credited to the share premium account. Amount of HK\$8,398,000 was transferred from share option reserve account to share premium account.

All the new ordinary shares issued during the year ended 31 March 2008 ranked pari passu in all respects with the existing ordinary shares of the Company.



**15. SHARE OPTIONS**

(a) Movements in the number of share options are as follows:

	<b>30.9.2008 (unaudited) No. of share options '000</b>	31.3.2008 (audited) No. of share options '000
At the beginning of period / year	<b>116,880</b>	118,546
Granted	<b>237,042</b>	116,080
Exercised	—	(116,546)
Lapsed	<b>(7,300)</b>	(200)
Cancelled	—	(1,000)
At the end of period / year	<b>346,622</b>	116,880

(b) Share options outstanding at the end of the period/year have the following exercise period and exercise prices:

Exercise period	Exercise price per share option HK\$	<b>30.9.2008 (unaudited) No. of share options '000</b>	31.3.2008 (audited) No. of share options '000
20.10.2006 – 4.4.2008 (Note i)	0.242	—	1,000
20.10.2006 – 19.10.2016 (Note i)	0.242	<b>100</b>	100
23.8.2008 – 22.8.2017 (Note ii)	0.230	<b>109,480</b>	110,380
15.11.2008 – 14.11.2017 (Note iii)	0.206	—	5,400
7.5.2009 – 6.5.2018 (Note ii)	0.156	<b>17,400</b>	—
18.10.2008 – 17.4.2018 (Note iv)	0.129	<b>183,042</b>	—
7.11.2008 – 6.5.2018 (Note v)	0.156	<b>36,600</b>	—
		<b>346,622</b>	116,880

**15. SHARE OPTIONS (Continued)**

Notes:

- (i) The share options granted were not subject to a vesting period and were exercisable from the date of grant.
  - (ii) The share options granted were subject to 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.
  - (iii) The share options granted were subject to a vesting period of three years with one-third of the options becoming exercisable on each of the first, second and third anniversaries of the date of grant.
  - (iv) The share options granted were subject to a vesting period and were exercisable six months after acceptance of the offer of the grant.
  - (v) The share options were subject to a vesting period and were exercisable six months after the date of grant.
- (c) The Group recognised total expenses of HK\$25,050,000 for the six months ended 30 September 2008 (2007: HK\$995,000) in relation to the share options granted by the Company.

**16. CAPITAL COMMITMENTS**

	<b>30.9.2008 (unaudited) HK\$'000</b>	<b>31.3.2008 (audited) HK\$'000</b>
Capital expenditure contracted but not provided for in respect of contribution to a joint venture company in PRC	—	21,645

**17. RELATED PARTY TRANSACTIONS**

During the period, there is no sales of automotive compressors to a related company (2007: HK\$3,563,000).

**18. COMPARATIVE FIGURES**

Certain comparative amounts have been reclassified and restated to conform with the current period's presentation. The reclassifications and restatements had no impact on the Group's results for the six months ended 30 September 2007.

**19. EVENTS AFTER THE BALANCE SHEET DATE**

On 25 September 2008, the Group entered into a sale and purchase agreement for the disposal of its entire 70.16% interest in Unicla and part of the shareholder's loan due from Unicla to the Group in the amount of approximately HK\$19.6 million 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.



## **INDEPENDENT REVIEW REPORT**

### **TO THE BOARD OF DIRECTORS OF JIA SHENG HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

#### **Introduction**

We have reviewed the interim financial report set out on pages 1 to 18, which comprises the condensed consolidated balance sheet of Jia Sheng Holdings Limited (the “Company”) as at 30 September 2008 and the related condensed consolidated income statement, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended, and explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial report in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial report based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

#### **Scope of Review**

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

#### **CCIF CPA Limited**

*Certified Public Accountants*

Hong Kong, 12 December 2008

#### **Leung Chun Wa**

Practising Certificate Number P04963

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

During the period under review, the Group recorded proceeds from sale of trading securities of approximately HK\$26.3 million and securities brokerage income of approximately HK\$0.4 million, which represented an increase of approximately 9.2% and a decrease of approximately 82.5% respectively when compared to the corresponding figures of the same period last year. The Group widened its loss for the period from approximately HK\$26.7 million in the corresponding period last year to approximately HK\$54.4 million for the same period this year. The widened loss was primarily attributable to the increases in (i) equity-settled share-based payments (increased to approximately HK\$25.1 million from approximately HK\$1 million in the corresponding period last year) as a result of issuance of certain share options during the period; (ii) loss for the period from discontinued operations (increased to approximately HK\$13.8 million from approximately HK\$5.7 million in the corresponding period last year); and (iii) share of results of a jointly controlled entity (increased to approximately HK\$1.5 million from nil in the corresponding period last year).

The Group's businesses in securities dealing and investment, and provision of securities brokerage services have faced great challenge in the midst of the global financial tsunami. During the period under review, the trading liquidity in Hong Kong stock market dropped substantially while turnover derived from the Group's provision of securities brokerage services decreased by approximately 82.5% to approximately HK\$0.4 million. Although proceeds derived from the Group's securities dealing and investment increased by approximately 9.2% to approximately HK\$26.3 million, this business segment turned to make a loss during the period under review due to the volatile and unfavorable market situation.

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 in order 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. The directors are of the view that the global financial tsunami on one hand has posed tough challenges to all businesses, it on the other hand creates the chance for rationalizing cost structure and to do mergers and acquisition (if suitable opportunity is identified) at a more reasonable price. With a view to improving the overall financial performance of the Group, the Group will continue to review its existing businesses and at the same time to identify new investment opportunities which can bring in value to all shareholders.

### 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. 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. As such, the Group will proactively seek potential investment opportunities that could enhance the value to the shareholders.



## **MANAGEMENT DISCUSSION AND ANALYSIS** *(Continued)*

### **Liquidity and Financial Resources**

As of 30 September 2008, the Group had (i) non-current assets of approximately HK\$23.8 million, which mainly comprised interest in a jointly controlled entity and property, plant and equipment, and (ii) current assets of approximately HK\$63.3 million, which mainly comprised trade and other receivables, cash and bank balances, and assets classified as held for sale. As of 30 September 2008, the Group had no borrowings and hence recorded net cash of approximately HK\$44.5 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 period 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.

The Group had no material acquisitions or disposals of subsidiaries or associated companies during the six months ended 30 September 2008.

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

As at 30 September 2008, the Group did not pledge any kind of assets and had no significant contingent liabilities.

### **Employees and Remuneration Policies**

As of 30 September 2008, the Group had 26 employees in Hong Kong, 52 employees in the People's Republic of China (the "PRC") and 3 employees in Japan. Total staff costs (including directors' emoluments and equity-settled share-based payments) during the period amounted to approximately HK\$31 million (2007: approximately HK\$12.2 million). The remuneration policies are subject to review by the Board with reference to market conditions and individual performance of staff. The Group participates in Mandatory Provident Fund Scheme in Hong Kong and State-managed retirement benefit schemes in the PRC. The Group has a share option scheme for the benefit of its directors and eligible employees of the Group.

### **Capital Commitment**

As at 30 September 2008, the Group had no capital commitment.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2008, the interests and short positions of the directors and chief executives of the Company or their respective associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

Name of director	Capacity	Number of ordinary shares of the Company held	Number of underlying shares (in respect of share options (unlisted equity derivatives)) of the Company held (Note 4)	Approximate percentage of issued ordinary share capital of the Company
Ryoji Furukawa (Note 2)	Beneficial owner	—	16,400,000(L)	0.90%
Yip Chi Chiu	Beneficial owner	—	16,400,000(L)	0.90%
	Interest of controlled corporation	195,584,943(L) (Note 3)	—	10.69%
Lo Wing Yat	Beneficial owner	—	14,600,000(L)	0.80%
Leung Chung Tak Barry	Beneficial owner	—	14,600,000(L)	0.80%
So George Siu Ming	Beneficial owner	—	14,600,000(L)	0.80%
Wong Kwok Kuen	Beneficial owner	—	3,600,000(L)	0.20%
Chak Chi Man	Beneficial owner	—	3,600,000(L)	0.20%
Chan Yuk Tong	Beneficial owner	—	1,800,000(L)	0.10%
Fei Tai Hung	Beneficial owner	—	1,800,000(L)	0.10%
Tse Kam Fow	Beneficial owner	—	1,800,000(L)	0.10%



## **DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES**

*(Continued)*

*Notes:*

1. (L) denotes a long position.
2. Mr. Ryoji Furukawa resigned as a director of the Company on 16 October 2008.
3. 101,142,471 shares of the Company were beneficially owned by Bright Success Holdings Limited. According to a sale and purchase agreement dated 22 November 2007 entered into among Asset Managers (China) Fund Co., Ltd., Bright Success Holdings Limited and Best Effort International Limited (as supplemented by two letters of confirmation dated 31 January 2008 and 31 March 2008 respectively, and a supplemental agreement dated 21 July 2008), Bright Success Holdings Limited should further acquire 94,442,472 shares of the Company from Asset Managers (China) Fund Co., Ltd. at a consideration of HK\$0.19 per share. Bright Success Holdings Limited was owned as to 50% by each of Mr. Yip Chi Chiu and his spouse, Ms. Lui Wai Kuen Brenda. Mr. Yip Chi Chiu was therefore deemed to be interested in the interest of Bright Success Holdings Limited in the 195,584,943 shares of the Company by virtue of the SFO.
4. The interests in underlying shares of the Company represented interests in options granted to directors named above to subscribe for shares of the Company, further details of which are set out in the section headed "Share Option Scheme" below.

Save as disclosed above, as at 30 September 2008, none of the directors or chief executives of the Company or their respective associates had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had been recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Apart from the share option scheme adopted by the Company on 30 March 2004 (as amended by an addendum effective on 7 December 2005) (the "Share Option Scheme"), at no time during the six months ended 30 September 2008 was the Company or any of its subsidiaries a party to any arrangements to enable the directors or the chief executives of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company, or any other body corporate. Save for the disclosed, none of the directors or the chief executives of the Company or their spouses or children under the age of 18, was granted any right to subscribe for the equity or debt securities of the Company or any other body corporate nor had exercised any such right during the six months ended 30 September 2008.



## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2008, the persons, other than the directors or chief executives of the Company, who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of substantial shareholder	Capacity	Number of ordinary shares of the Company held	Number of underlying shares (in respect of share options (unlisted equity derivatives)) of the Company held	Approximate percentage of issued ordinary share capital of the Company
Best Effort International Limited ("Best Effort")	Beneficial owner	322,341,020(L) (Note 2)	—	17.61%
Asset Managers (China) Fund Co., Ltd. ("AMCF")	Beneficial owner	167,897,728(L)	—	9.17%
		94,442,472(S) (Note 2)	—	5.16%
Asset Investors Co., Ltd.	Interest of controlled corporation	167,897,728(L)	—	9.17%
		94,442,472(S) (Note 2)	—	5.16%
FR Holding Co., Ltd.	Interest of controlled corporation	167,897,728(L)	—	9.17%
		94,442,472(S) (Note 2)	—	5.16%
Asset Managers Co., Ltd.	Interest of controlled corporation	167,897,728(L)	—	9.17%
		94,442,472(S) (Note 2)	—	5.16%
Asset Managers (Asia) Company Limited	Interest of controlled corporation	490,238,748(L)	—	26.78%
		94,442,472(S) (Note 2)	—	5.16%
Asset Managers International Co., Ltd.	Interest of controlled corporation	490,238,748(L)	—	26.78%
		94,442,472(S) (Note 2)	—	5.16%
Asset Managers Holdings Co., Ltd. ("AMH")	Interest of controlled corporation	490,238,748(L)	—	26.78%
		94,442,472(S) (Note 2)	—	5.16%
Ichigo Asset Management International, Pte. Ltd. ("Ichigo")	Interest of controlled corporation	490,238,748(L)	—	26.78%
		94,442,472(S) (Note 2)	—	5.16%



**SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY** *(Continued)*

Name of substantial shareholder	Capacity	Number of ordinary shares of the Company held	Number of underlying shares (in respect of share options (unlisted equity derivatives)) of the Company held	Approximate percentage of issued ordinary share capital of the Company
Bright Success Holdings Limited ("Bright Success")	Beneficial owner	195,584,943(L) <i>(Note 3)</i>	—	10.69%
Lui Wai Kuen Brenda	Interest of controlled corporation	195,584,943(L) <i>(Note 3)</i>	—	10.69%
	Interest of spouse	—	16,400,000(L) <i>(Note 4)</i>	0.90%
CITIC International Assets Management Limited ("CIAM")	Beneficial owner	166,400,000(L) <i>(Note 5)</i>	—	9.09%
CITIC International Financial Holdings Limited ("CIFH")	Interest of controlled corporation	166,400,000(L) <i>(Note 5)</i>	—	9.09%
CITIC Group	Interest of controlled corporation	166,400,000(L) <i>(Note 5)</i>	—	9.09%

**SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY** (Continued)

## Notes:

1. (L) denotes a long position and (S) denotes a short position.
2. Best Effort was a wholly owned subsidiary of Asset Managers (Asia) Company Limited. AMCF was owned as to 50% by Asset Managers (Asia) Company Limited and as to 50% by Asset Investors Co., Ltd.. Asset Managers (Asia) Company Limited was owned as to 70% by Asset Managers International Co., Ltd. and as to 30% indirectly by Mr. Yip Chi Chiu, a director of the Company. Asset Managers International Co., Ltd. was a wholly owned subsidiary of AMH. Asset Investors Co., Ltd. was owned as to 50.10% by FR Holding Co., Ltd. which in turn was wholly owned by Asset Managers Co., Ltd.. Asset Managers Co., Ltd. was a wholly owned subsidiary of AMH. AMH was owned as to 48.35% by Ichigo. According to a sale and purchase agreement dated 22 November 2007 entered into among AMCF, Bright Success and Best Effort (as supplemented by two letters of confirmation dated 31 January 2008 and 31 March 2008 respectively, and a supplemental agreement dated 21 July 2008) (the "S&P Agreement"), Bright Success should further acquire 94,442,472 shares in the share capital of the Company from AMCF at a consideration of HK\$0.19 per share. Asset Investors Co., Ltd., FR Holding Co., Ltd. and Asset Managers Co., Ltd. were taken to be interested in the long position in 167,897,728 shares of the Company and the short position in 94,442,472 shares of the Company held by AMCF under the SFO. Asset Managers (Asia) Company Limited, Asset Managers International Co., Ltd., AMH and Ichigo were deemed by virtue of the SFO to be interested in the long position in 490,238,748 shares of the Company, of which 167,897,728 shares of the Company were held by AMCF and 322,341,020 shares of the Company were held by Best Effort, and the short position in 94,442,472 shares of the Company held by AMCF.
3. The 195,584,943 shares of the Company related to the same block of shares in the Company, of which 101,142,471 shares were beneficially owned by Bright Success. According to the S&P Agreement, Bright Success should further acquire 94,442,472 shares in the share capital of the Company from AMCF at a consideration of HK\$0.19 per share. Bright Success was owned as to 50% by each of Mr. Yip Chi Chiu, a director of the Company, and his spouse, Ms. Lui Wai Kuen Brenda.
4. The interests in underlying shares of the Company represented interests in the options granted to Mr. Yip Chi Chiu, a director of the Company and the spouse of Ms. Lui Wai Kuen Brenda, to subscribe for 16,400,000 shares of the Company.
5. The 166,400,000 shares of the Company related to the same block of shares of the Company. CIAM was owned as to 40% by CIFH and as to 25% by Asset Managers International Co., Ltd.. CIFH was owned as to 55% by CITIC Group.

Save as disclosed above, as at 30 September 2008, the Company has not been notified of any interests or short positions in the shares or underlying shares of the Company which were required to be recorded in the register required to be kept by the Company under Section 336 of the SFO.



## SHARE OPTION SCHEME

On 30 March 2004, the Share Option Scheme was approved and adopted by the shareholders of the Company for the purpose of enabling the Group to grant options to selected participants as incentives or rewards for their contribution to the Group. The Share Option Scheme will be effective for ten years until 29 March 2014.

Details of the options and movements in such holdings during the six months ended 30 September 2008 were as follows:

Category of participants	Date of grant	Number of options			As at 30.9.2008	Exercise period	Exercise price per option HK\$
		As at 1.4.2008	Granted during the period	Lapsed during the period			
<b>Directors</b>							
Yip Chi Chiu	23.8.2007	16,400,000	—	—	16,400,000	23.8.2008 – 22.8.2017 (Note 4)	0.23
Lo Wing Yat	23.8.2007	14,600,000	—	—	14,600,000	23.8.2008 – 22.8.2017 (Note 4)	0.23
Leung Chung Tak Barry	23.8.2007	14,600,000	—	—	14,600,000	23.8.2008 – 22.8.2017 (Note 4)	0.23
So George Siu Ming	23.8.2007	14,600,000	—	—	14,600,000	23.8.2008 – 22.8.2017 (Note 4)	0.23
Wong Kwok Kuen	23.8.2007	3,600,000	—	—	3,600,000	23.8.2008 – 22.8.2017 (Note 4)	0.23
Chak Chi Man	23.8.2007	3,600,000	—	—	3,600,000	23.8.2008 – 22.8.2017 (Note 4)	0.23
Chan Yuk Tong	23.8.2007	1,800,000	—	—	1,800,000	23.8.2008 – 22.8.2017 (Note 4)	0.23
Fei Tai Hung	23.8.2007	1,800,000	—	—	1,800,000	23.8.2008 – 22.8.2017 (Note 4)	0.23
Tse Kam Fow	23.8.2007	1,800,000	—	—	1,800,000	23.8.2008 – 22.8.2017 (Note 4)	0.23
Ryoji Furukawa	7.5.2008	—	16,400,000 (Note 2)	—	16,400,000	7.5.2009 – 6.5.2018 (Note 4)	0.156

**SHARE OPTION SCHEME (Continued)**

Category of participants	Date of grant	Number of options				Exercise period	Exercise price per option HK\$
		As at 1.4.2008	Granted during the period	Lapsed during the period	As at 30.9.2008		
<b>Participants with options granted in excess of individual limit</b>							
Li Bing Ru	21.5.2008	—	91,521,060 (Note 3)	—	91,521,060	18.10.2008 – 17.4.2018 (Note 5)	0.129
Liu Li Jun	21.5.2008	—	91,521,060 (Note 3)	—	91,521,060	18.10.2008 – 17.4.2018 (Note 5)	0.129
<b>Employees</b>							
	20.10.2006	100,000	—	—	100,000	20.10.2006 – 19.10.2016 (Note 6)	0.242
	23.8.2007	8,580,000	—	(900,000)	7,680,000	23.8.2008 – 22.8.2017 (Note 4)	0.23
	15.11.2007	5,400,000	—	(5,400,000)	—	15.11.2008 – 14.11.2017 (Note 7)	0.206
	7.5.2008	—	36,600,000 (Note 2)	—	36,600,000	7.11.2008 – 6.5.2018 (Note 8)	0.156
	7.5.2008	—	1,000,000 (Note 2)	—	1,000,000	7.5.2009 – 6.5.2018 (Note 4)	0.156
<b>Others</b>							
	20.10.2006	1,000,000	—	(1,000,000)	—	20.10.2006 – 4.4.2008 (Note 6)	0.242
	23.8.2007	29,000,000	—	—	29,000,000	23.8.2008 – 22.8.2017 (Note 4)	0.23
		116,880,000	237,042,120	(7,300,000)	346,622,120		



**SHARE OPTION SCHEME (Continued)**

*Notes:*

1. Number of options refers to the number of underlying shares of the Company covered by the options under the Share Option Scheme.
2. Options to subscribe for 54,000,000 shares of the Company were granted on 7 May 2008. The closing price of the shares of the Company on the trading date immediately before the date on which these options were granted was HK\$0.157.
3. Options to subscribe for 183,042,120 shares of the Company were granted on 21 May 2008. The closing price of the shares of the Company on the trading date immediately before the date on which these options were granted was HK\$0.178.
4. Options granted were subject to 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.
5. Options granted were subject to a vesting period and were exercisable six months after acceptance of the offer of the grant.
6. Options granted were not subject to a vesting period and were exercisable from the date of grant.
7. Options granted were subject to a vesting period of three years with one-third of the options becoming exercisable on each of the first, second and third anniversaries of the date of grant.
8. Options granted were subject to a vesting period and were exercisable six months after the date of grant.
9. The weighted average fair values of the options granted during the six months ended 30 September 2008, calculated using the Binomial Option-Pricing Model and the inputs into such model were as follows:

	Options granted on 7 May 2008 with vesting period of two years	Options granted on 7 May 2008 with vesting period of six months	Options granted on 21 May 2008 with vesting period of six months
Weighted average fair value	HK\$0.0948	HK\$0.0877	HK\$0.1104
Share price on grant date	HK\$0.156	HK\$0.156	HK\$0.187
Exercise price	HK\$0.156	HK\$0.156	HK\$0.129
Expected volatility	65.51%	65.51%	65.37%
Option life	10 years	10 years	10 years
Risk-free interest rate	2.802%	2.802%	2.809%
Expected dividend yield	0%	0%	0%

Expected volatility was determined by using the annualised standard deviations of the continuously compounded rates of return on the share prices of the Company and three other comparable companies. The result of the Binomial Option-Pricing Model can be materially affected by changes in these variables and assumptions. Therefore, an option's actual value may differ from the estimated fair values of the options due to limitations of the Binomial Option-Pricing Model.

10. No options granted under the Share Option Scheme were exercised or cancelled during the six months ended 30 September 2008.

## CORPORATE GOVERNANCE

The Company complied with all the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules throughout the six months ended 30 September 2008.

## DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted 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, their compliance with the required standard set out in the Model Code throughout the six months ended 30 September 2008.

## REVIEW OF INTERIM RESULTS

The audit committee of the Company has reviewed with the management and the Company's independent auditor the unaudited consolidated results of the Group for the six months ended 30 September 2008 and this report.

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

The Company did not redeem any of its listed securities during the six months ended 30 September 2008.

Neither the Company nor any of its subsidiaries purchased or sold any of the Company's listed securities during the six months ended 30 September 2008.

By order of the Board of  
**Jia Sheng Holdings Limited**  
**Yip Chi Chiu**

*Deputy Chairman and Chief Executive Officer*

Hong Kong, 12 December 2008

*As at the date of this report, the Board comprises Mr. Yip Chi Chiu\*\* (Deputy Chairman and Chief Executive Officer), Mr. Lo Wing Yat\*\*, Mr. Leung Chung Tak Barry\*\* (Chief Operating Officer and Chief Project Officer), Mr. So George Siu Ming\*\* (Chief Financial Officer), 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