

OBTAINING OF PRE-SALE PERMIT AND LAUNCH OF PRE-SALES OF PROPERTIES

The Board of Directors (“**Board**”) of China Jishan Holdings Limited (“**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 1 July 2020 in relation to, *inter alia*, the obtaining of Construction Planning Permit by the Company in relation to the Proposed Development of Land Assets (the “**Previous Announcement**”).

Unless otherwise stated, all capitalised terms used herein shall have the same meaning ascribed to them in the Previous Announcement.

The Board wishes to announce that Shaoxing Yue Sheng has obtained a pre-sale permit (商品房预售证) (the “**Pre-Sale Permit**”) dated 30 July 2020 issued by the Bureau of Housing and Urban-Rural Development of Keqiao District, Shaoxing City (绍兴市柯桥区住房与城乡建设局). The Pre-Sale Permit is one of the requisite permits in relation to the Proposed Development of Land Assets. Accordingly, Shaoxing Yue Sheng intends to launch the pre-sale of property units (the “**Properties**”) at the project known as Shengda Jinfu Project (盛大金府项目) (the “**Project**”) in Shaoxing City (the “**Pre-Sales**”) on or around 1 August 2020.

Based on its internal market assessment, the Group is targeting to achieve Pre-Sales of between RMB0.5 billion and RMB1.0 billion in the second half of 2020. The Group will make periodic announcements as and when there are monies received from the Pre-sales. However, monies to be received (if any) by the Group from the Pre-Sales will not have an impact on the profit and loss of the Group in the financial year ending 31 December 2020 (“**FY2020**”) since the Pre-Sales may only be recognised in the profit and loss statements of the Group upon the successful completion and delivery of the Properties to the buyers, which is estimated to be 3 years from the success of the Pre-Sales (that is, in the financial year ending 31 December 2023). In addition, monies to be received (if any) by the Group from the Pre-Sales will also not have impact on the net tangible assets of the Group in FY2020, as monies to be received (if any) from the Pre-Sales will be recognised on the balance sheet in FY2020 as (a) an asset, being cash received from customers, and (b) a liability, being other payables - Pre-Sale deposits from customers.

The Board wishes to highlight that this is the Group’s opportunistic and first foray into real estate development in the People’s Republic of China (the “**PRC**”) and the Group does not have any track record or prior experience in real estate development. As such, there is no certainty that the Group will be successful in the Pre-Sales. Further, the Group may face various potential challenges. For example, there may be changes in the PRC’s government policies which aim to control real estate price appreciation. Also, the Group may not be able to obtain all the government permits necessary for the completion of the Project on a timely basis, manage the construction activities effectively to minimize cost overruns, avoid time delays in completing the Project and/or ensure profitability of the Proposed Development of Land Assets.

The Company will make such further announcements at the appropriate juncture, as and when there are material developments in relation to the Proposed Development of Land Assets and the Pre-Sales.

BY ORDER OF THE BOARD

Xiao Ziliang
Executive Director/ Chief Executive Officer

31 July 2020