

**CHINA JISHAN HOLDINGS LIMITED**  
(Company Registration No. 200310591E)  
(Incorporated in the Republic of Singapore)

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**RESPONSE TO QUERIES FROM SGX-ST ON THE COMPANY'S ANNOUNCEMENT DATED 6 APRIL 2017 AND THE COMPANY'S FY2016 ANNUAL REPORT**

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The Board of Directors (the "**Board**") of China Jishan Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**"), wishes to announce the information set out below in response to a query from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in respect of the Company's announcement dated 6 April 2017 on the emphasis of matter in the Independent Auditors' Report for FY2016 and the Company's FY2016 annual report (the "**Prior Announcement and Annual Report**").

Unless defined otherwise, capitalised terms used herein shall have the same meanings ascribed to them in the Prior Announcement and Annual Report.

**Query:**

For the Exchange's consideration under Rule 1303(3)(c) of the Listing Manual and noting the Independent Auditor's findings on "Material Uncertainty Related to Going Concern", please provide the following information:-

- a. The Board's opinion if the Company will be able to operate as a going concern and the basis for the Board's view.
- b. The Board's confirmation that all the material disclosures have been provided for trading of the Company's shares to continue.

**Response:**

- (a) The Board is of the opinion that the Company will be able to operate as a going concern, after taking into consideration the following factors:
  - (i) Management will continue to monitor the costs of the Group closely and seek to improve the operating performance and generate positive cash flows from its various business activities. Management has also prepared a cash flow projection that shows the Group will have adequate working capital for its operations for the next twelve months from 31 December 2016 and to meet its obligations as and when they fall due.
  - (ii) The Group continues to maintain its credit facilities with the financial institutions and, subject to the financial institutions' approval, to renew or roll over its short-term borrowings when they fall due and/or the extension of additional credit facilities. In this regard, the Group has been maintaining and renewing the short-term bank borrowings when they fall due and management is not aware of any adverse circumstances that might cause the financial institutions to withdraw their credit facilities granted to the Group.
  - (iii) Management is presently evaluating various strategies to diversify the Group's business activities so as to provide new sources of revenue and to generate positive cash flows for the Group. These strategies include, *inter alia*, obtaining alternative sources of funds and the proposed disposal of entire equity interest in Shao Xing Yue Sheng Real Estate Property Development Co., Ltd (as described in the Company announcements dated 28 December 2016 and 6 April 2017).
- (b) The Board confirms that all material disclosures have been provided for the trading of the Company's shares to continue.

**BY ORDER OF THE BOARD**

Xiao Zi Liang  
Executive Director/Chief Executive Officer  
17 May 2017