

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

QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“SGX-ST”) ON THE UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018

The Board of Directors (the “**Board**”) of China Jishan Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”), would like to provide the following information in response to the queries from the SGX-ST regarding the unaudited financial statements of the Group for the financial period ended 30 September 2018 (“**3Q 2018**”), which was announced on 14 November 2018:

SGX query 1

The Company disclosed that investment properties amounted to RMB 88,302,000. Please provide details of these investment properties and prospects / outlook as required under paragraph 10 of Appendix 7.1 of the Listing Manual.

The Company's response to query 1

The investment properties consists of factory buildings which are leased to third parties. The investment properties are located at Binhai Industrial Zone, Shaoxing City, Zhejiang Province, PRC.

Barring any unforeseen circumstances, we expect the Group will receive constant income from investment properties.

SGX query 2

The Company disclosed that tax payable amounted to RMB 42,983,000. Please elaborate why the amount of RMB 42,983,000 is so significant when 9M2018 revenue amounted to RMB 28,291,000. What is the nature of the underlying transaction which resulted in the significant amount provided?

The Company's response to query 2

The tax payable consists of tax on net profit derived from the Group's wholly owned subsidiary, Zhejiang Jishan Printing and Dyeing Co., Ltd.

The tax payable of RMB 42,983,000 consists of:

	RMB'000
Balance as at 1 January	32,713
Provision for the period ^(N1)	10,331
Payment during the period	(61)
Balance as at 30 September	42,983

N1 _ the amount is different from the income tax expenses of RMB 3.4 million for the period in income statement as it was offset with the deferred tax assets recognized of RMB 6.9 million from losses arising from the Group's wholly owned subsidiary, Shao Xing Yue Sheng Real Estate Property Development Co., Ltd (the “**Yue Sheng**”).

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SGX query 3

The Company disclosed that “higher operating income in prior period of 3Q 2017 were mainly due to the realization of deferred income of RMB 54.0 million offset with the Property, plant and equipment (“PPE”) written off of RMB 21.5 million, where there is no realization of deferred income and PPE written off in 3Q 2018.” Please clarify why cash and cash equivalent did not increase in 2017 and 2018 despite the realization of the significant deferred income of RMB 54.0 million.

The Company's response to query 3

The deferred income relates to the compensation received from the PRC government in 2010 for the shortened usage period for buildings, arising from changes in land use rights, including relocation subsidies.

During the financial year ended 31 December 2017, the Group has completed its relocation of its premises and recognized the remaining deferred income of RMB 54.0 million.

As the compensation was received in 2010, the above mentioned recognition of RMB 54.0 million does not have cash flow impact on 2017 or 2018.

BY ORDER OF THE BOARD

Xiao Ziliang
Executive Director/ Chief Executive Officer
4 December 2018