

THE PROPOSED DISPOSAL OF THE ENTIRE EQUITY INTEREST IN SHAO XING YUE SHENG REAL ESTATE PROPERTY DEVELOPMENT CO., LTD

1. INTRODUCTION

The Board of Directors (the “**Board**”) of China Jishan Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to refer to the announcement of the Company dated 28 December 2016 (the “**Prior Announcement**”) pursuant to which, the Group’s wholly owned subsidiaries, Zhejiang Jishan Printing and Dyeing Co., Ltd (“**Jishan P&D**”) and Shao Xing Yue Sheng Real Estate Property Development Co., Ltd (the “**Target**”), Zhejiang Jishan Holding Group Co., Ltd (“**Guarantor#1**”) has on 24 December 2016 entered into a conditional share transfer agreement (the “**Agreement**”) with Shanghai Jintumu Real Estate Co., Ltd. (the “**Purchaser**”) and Guangdong Helenbao Real Estate Group Co., Ltd (“**Guarantor#2**”).

Pursuant to the Agreement, the entire equity interest in the Target held by Jishan P&D will be disposed to the Purchaser for a consideration of RMB 785,778,500 (the “**Proposed Disposal**”). The Proposed Disposal will comprise the following assets and liabilities:

- (a) a transfer of the entire equity interest in the Target held by Jishan P&D;
- (b) the Seven Land Use Rights held by the Target; and
- (c) the liabilities of RMB402,141,700 on the books of the Target owing to Jishan P&D (the “**Liabilities**”).

Capitalised terms not defined herein shall bear the same meaning as terms defined in the Prior Announcement.

Further to the Prior Announcement, the Board wishes to announce that the Purchaser, Jishan P&D, and the Target have entered into a Supplemental Agreement dated 5 April 2017 (the “**Supplemental Agreement**”) whereby the Purchaser, Jishan P&D, and the Target have agreed to amend, vary and supplement the Agreement in accordance with the terms and conditions of the Supplemental Agreement. For the avoidance of doubt, Guarantor#1 only guarantees to the Purchaser due performance of Jishan P&D’s duties under the Agreement, and Guarantor#2 only guarantees to Jishan P&D due performance of the Purchaser’s duties under the Agreement, without any modifications pursuant to the Supplemental Agreement.

2. VALUATION

A valuation, commissioned by the Company in relation to the Target as at 1 March 2017, was conducted by an independent valuer, Shaoxing Zhongxing Assets Appraisal Co., Ltd (绍兴中兴资产评估有限公司), dated 9 March 2017 (the “**Valuation Report**”). As at 1 March 2017, the assets of the Target are valued at RMB1,183,182,800 and the liabilities of the Target are valued at RMB402,188,900. The net assets of the Target are henceforth assessed to have a valuation of RMB780,993,900.

3. SUPPLEMENTAL AGREEMENT

3.1 Consideration

Pursuant to the Supplemental Agreement, the Consideration has been adjusted from RMB 785,778,500 to RMB1,183,200,000, taking into account the latest valuation as stated in the Valuation Report.

3.2 Payment of the Consideration

The payment of Consideration referred to in paragraph 2.7(c) of the Prior Announcement has been replaced with the following:

*“Within 10 business days after obtaining the approvals (the **“Approvals”**) from the SGX-ST and the shareholders of Jishan P&D and the Company (Jishan P&D shall make best endeavor to obtain the Approvals within two months upon signing of the Supplemental Agreement), the Purchaser shall pay an amount of RMB400,000,000 to the designated account of Jishan P&D. Within 40 days after obtaining the Approvals, the Purchaser shall pay an amount of RMB703,200,000 to the escrow account held by Zhejiang Jianhu Law Firm, and Jishan P&D and the Purchaser shall register with the Administration for Industry & Commerce Bureau in the PRC for the transfer of the equity interest in the Target to the Purchaser (the **“Registration”**). Within 1 day after completion of the Registration, Zhejiang Jianhu Law Firm shall release the amount of RMB703,200,000 from such escrow account to the designated account of Jishan P&D.”*

3.3 Timeline

The timeline referred to in clause 7(5) of the Agreement in the context it appears in the Agreement as set out below:

“Within two business days after the date of the Agreement, the Proposed Disposal shall be announced on the SGXNet. Jishan P&D hereby undertakes that, within 3 business days upon the completion of the due diligence on the Target (shall not later than 20 business days after the date of the Agreement), Jishan P&D shall submit all the relevant documents for the SGX-ST’s approval. In the event that the Proposed Disposal has not been approved by the SGX-ST within 4 months since the submission of all the relevant documents, the Purchaser shall be entitled to terminate the Agreement, and Jishan P&D shall return the Upfront Deposit to the Purchaser.”

has been replaced with the following:

*Within two business days after the date of the Supplemental Agreement, the Proposed Disposal shall be announced on the SGXNet. Jishan P&D hereby undertakes that, within 3 business days upon the completion of the due diligence on the Target (shall not later than 20 business days after the date of the Supplemental Agreement), Jishan P&D shall submit all the relevant documents for the SGX-ST’s approval. In the event that the Proposed Disposal has not been approved by the SGX-ST and shareholders of the Company and Jishan P&D within 4 months since the date of the Supplemental Agreement, Jishan P&D shall notify the Purchaser immediately (the **“Notice Date”**), if the settlement cannot be reached through the negotiation within 10 business day of the Notice Date, the Agreement and the Supplemental Agreement shall automatically terminate, and Jishan P&D shall return the all the amounts paid by the Purchaser (without the interest) to the Purchaser.*

4 REVISED GAINS ON THE PROPOSED DISPOSAL

After the amendments as stated under paragraph 3 of this Announcement, the Company expects to receive an estimated gains on the Proposed Disposal (before tax and expenses) of approximately

RMB685,520,304, and an estimated gains on the Proposed Disposal (after tax and expenses) of approximately RMB493,712,832.

5 REVISED FINANCIAL EFFECTS

After the amendments as stated under paragraph 3 of this Announcement, the *pro forma* financial effects of the Proposed Disposal on the Group have been prepared based on the Group's latest announced unaudited consolidated financial statements for the financial year ended 31 December 2016. These *pro forma* financial effects are purely for illustrative purposes only and do not reflect the future actual financial position and results of the Group after Completion.

(a) Net tangible asset ("NTA") per share

Assuming that the Proposed Disposal had been completed on 31 December 2016, the *pro forma* financial effects of the Proposed Disposal on the NTA per share of the Group for the financial year ended 31 December 2016 would have been as follows:

	Before the Proposed Disposal	After the Proposed Disposal
NTA as at 31 December 2016 (RMB'000)	146,104	639,817
Number of issued shares as at 31 December 2016 ('000)	301,500	301,500
NTA per share (RMB cents)	48.46	212.21

(b) Earnings per share ("EPS")

Assuming that the Proposed Disposal had been completed on 1 January 2016, the *pro forma* financial effects of the Proposed Disposal on the EPS of the Group for the financial year ended 31 December 2016 would have been as follows:

	Before the Proposed Disposal	After the Proposed Disposal
Net profit /loss after tax (RMB'000)	(10,382)	483,331
Weighted average number of issued shares ('000)	301,500	301,500
EPS per share (RMB cents)	(3.44)	160.31

6 REVISED RELATIVE FIGURES PURSUANT TO RULE 1006 OF THE LISTING MANUAL

After the amendments as stated under paragraph 3 of this Announcement, the Company hereby sets out the relative figures⁽¹⁾ for the Proposed Disposal according to Rule 1006 (a) to (e) of the Listing Manual, based on the latest announced unaudited consolidated financial statements of the Company

for the 12-month period ended 31 December 2016:

(a)	Rule 1006(a) Net asset value of the assets to be disposed of, compared with the Group's net asset value	65.4%
(b)	Rule 1006(b) The net profits attributable to the Proposed Disposal compared with the Group's net profits	Not applicable ⁽²⁾
(c)	Rule 1006(c) The aggregate value of the Consideration, compared with the Company's market capitalization of RMB56.3 million based on the total number of issued shares excluding treasury shares	2101.6 % ⁽³⁾
	The aggregate value of the Consideration, compared with the Company's market capitalisation of RMB89.2 million based on the total number of issued shares excluding treasury shares	1326.5 % ⁽⁴⁾
(d)	Rule 1006(d) The number of equity securities issued by the Company as consideration for a disposal, compared with the number of equity securities previously in issue	Not applicable ⁽⁵⁾
(e)	Rule 1006(e) The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable ⁽⁶⁾

Notes:

- (1) Based on the latest announced unaudited consolidated accounts of the Group for the 12-month period ended 31 December 2016.
- (2) This rule is not applicable as there are no profits incurred since the incorporation of the Target.
- (3) Under Rule 1002(5) of the Listing Manual, the market capitalisation of the Company is determined by multiplying the number of shares in issue by the weighted average price of such shares transacted on the market day preceding the date of the Agreement.
- (4) Under Rule 1002(5) of the Listing Manual, the market capitalisation of the Company is determined by multiplying the number of shares in issue by the weighted average price of such shares transacted on the market day preceding the date of the Supplemental Agreement.
- (5) This rule is not applicable as this is a disposal and Company did not issue equity securities as consideration.
- (6) This rule is not applicable as the Proposed Disposal is not disposal of mineral, oil or gas assets by a mineral, oil and gas company.

As the relative figures calculated under Rules 1006(a) and (c) of the listing manual of the SGX-ST

(the “**Listing Manual**”) exceed 20% the Proposed Disposal is a disclosable transaction under Chapter 10 of the Listing Manual. Accordingly, the approval of the shareholders of the Company is required for the Proposed Disposal.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of Directors and substantial shareholders of the Company (the “**Substantial Shareholders**”) in the shares of the Company as at the date of this Announcement, are as follows: -

	Direct Interest		Deemed Interest	
	Number of shares	%	Number of shares	%
Directors				
Jin Guan Liang ⁽¹⁾	16,649,500	5.522%	220,623,000	73.175 %
Substantial Shareholders (other than Directors) (5% or more)				
Jin Cheng ⁽¹⁾	220,623,000	73.175 %	-	-

Note:

- (1) Mr. Jin Guan Liang has a deemed interest in 220,623,000 shares held by Jin Cheng International Holdings Limited (the “**Jin Cheng**”) by virtue of his 100% ownership in Jin Cheng. 216,823,000 shares held by Jin Cheng are registered in the name of DBS Nominees (Pte) Limited.

Save as disclosed above, as well as Mr. Jin Guan Liang's interests in the Guarantee#1, none of the directors and/or Substantial Shareholders has any interest, direct or indirect, in the Proposed Disposal.

8. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

9. EXTRAORDINARY GENERAL MEETING AND CIRCULAR

The relative figures computed under Rules 1006(a) and (c) of the Listing Manual are more than 20%. Pursuant to Rule 1014 of the Listing Manual, the Proposed Disposal is subject to the approval of the shareholders of the Company. A circular containing further details on the Proposed Disposal and enclosing a notice of an extraordinary general meeting in connection therewith will be despatched to the shareholders of the Company in due course.

10. DOCUMENTS FOR INSPECTION

The copies of the Agreement, the Supplemental Agreement and the Valuation Report will be made available for inspection during normal business hours at the Company's registered office at 1 Sophia

Road, #05-03 Peace Centre, Singapore 228149, for a period of three (3) months commencing from the date of this announcement.

BY ORDER OF THE BOARD

Xiao Ziliang
Executive Director/ Chief Executive Officer
6 April 2017