

**QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“SGX-ST”) ON
THE ANNOUNCEMENT MADE BY THE COMPANY ON 9 JUNE 2020**

The Board of Directors (“**Board**”) of China Jishan Holdings Limited (“**Company**”, and together with its subsidiaries, the “**Group**”) refers to its announcement dated 5 June 2020, which was made pursuant to Listing Rule 704(5) of the Listing Manual of the SGX-ST, and the announcement dated 9 June 2020, in response to a query from the SGX-ST.

The Board would like to provide the following information in response to queries from the SGX-ST regarding the announcement made on 9 June 2020.

SGX query 1

We refer to China Jishan Holdings Limited’s announcement dated 9 June 2020, in response to SGX’s queries on the Company’s ability to operate as a going concern, arising from the auditors’ disclaimer of opinion for the financial year ended 31 December 2019 (“**FY2019**”). The Company had disclosed, *inter alia*, that “the Group is currently in discussion with the third party lenders to extend the relevant loans tenure and management is not aware of any adverse circumstances that might cause the third party lenders not to extend the loans tenure and call for the outstanding loans repayment from the Group”. These third party loans had expired in November 2019 and March 2020 respectively. Please disclose whether any definitive agreement has been signed to extend the loans. If not, please provide the timeline for the signing.

The Company's response to query 1

The Group and the third party lenders have not signed formal agreements to extend the relevant loans tenure. However, the Group and the third party lenders have verbally agreed that the third party lenders will continue to extend the relevant loans until the Group obtains fresh loans from banks to repay the third party lenders. As previously disclosed, (i) we have been servicing the interests on the third party lenders’ loans promptly on a monthly basis, and (ii) the third party lenders’ loans granted to the Group are secured on certain of the Group’s development properties, amongst others, of which the fair value of these development properties is substantially higher than the outstanding borrowings (see Note 17 to the financial statements on page 84 of the FY2019 Annual Report).

SGX query 2

The Company disclosed that “Management is of the view that the Group will have sufficient working capital for its operations for the next twelve months from 31 December 2019 and to meet its obligations as and when they fall due based on a cash flow forecast prepared”. To substantiate with data how the “Group will have sufficient working capital for its operations for the next 12 months.

The Company's response to query 2

Based on the cash flow forecast prepared by the management team, the Group has net cash generated from operations of RMB29.0 million, net cash used in investing activities of RMB20.6 million, and net cash generated from financing activities of RMB7.9 million (with proceeds from bank borrowing of RMB79.0 million net of interest paid of RMB71.1 million). The Group had obtained new fresh loans of RMB44.0 million during the 1st half of FY2020. Following from the above and on the assumption that the third party lenders will continue to extend the relevant loans to the Group and that we are able to obtain additional new bank loans of RMB35.0 million during the 2nd half of FY2020, the Group will have a positive net increase in cash and cash equivalent of RMB16.3 million for FY2020. Based on the above, the Group will have sufficient working capital for its operations for the next twelve months.

SGX query 3

On 9 June 2020, the Company disclosed that it managed to repay/extend RMB 248.5 million of current borrowings. However as at 31 December 2019, the Company has net current liabilities of RMB 581.9million, incurred a net loss and total comprehensive loss of RMB 45.9million for FY2019, negative cash flow of RMB 103.1 million and cash and bank balance of only RMB 8 million. Noting that the third party loans expired in November 2019 and March 2020 and that the company is facing a going concern issue, if the Company does not enter into supplementary loan agreement(s) with the third party lenders and/or obtain fresh funding within a month from the date of these queries (i.e. 15 July 2020), the Company should suspend trading under LR 1303(3).

The Company's response to query 3

We note the SGX's directive regarding Listing Rule 1303(3). We are currently working on obtaining loans from banks, and will update SGX accordingly.

BY ORDER OF THE BOARD

Xiao Ziliang
Executive Director/ Chief Executive Officer

17 June 2020