

OUTCOME OF LEGAL CLAIM

The Board of Directors (the “**Board**”) of China Jishan Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”), refers to its announcement dated 1 November 2017 and 5 June 2018 (the “**Previous Announcements**”), in relation to, *inter alia*, the legal claim filed by Shanghai Jintumu Real Estate Co., Ltd. (the “**Purchaser**”) against Zhejiang Jishan Printing and Dyeing Co., Ltd (“**Jishan P&D**”), Zhejiang Jishan Holding Group Co., Ltd (“**Guarantor#1**”), and Shao Xing Yue Sheng Real Estate Property Development Co., Ltd (the “**Target**”) in the Higher People’s Court of Zhejiang Province (the “**Zhejiang Higher Court**”), the People’s Republic of China (the “**Legal Claim**”), and the counter-claim filed by Jishan P&D against the Purchaser (the “**Counter Claim**”)

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

The Board wishes to announce a first-instance judgment was issued in the Zhejiang Higher Court (the “**Judgment**”). Salient points of the Judgment are as follows:

- (1) The Purchaser, Jishan P&D, and the Target had entered into a conditional share transfer agreement dated 24 December 2016 (the “**Agreement**”) and a Supplemental Agreement dated 5 April 2017 (the “**Supplemental Agreement**”). The Agreement and the Supplemental Agreement have since been terminated.
- (2) Jishan P&D shall repay to the Purchaser the sum of RMB 80,000,000 being the upfront deposit paid by the Purchaser pursuant to the Agreement, together with an interest of 24% per annum.
- (3) The Zhejiang Higher Court dismissed the Purchaser’s claim.
- (4) The Purchaser shall pay the costs and disbursements of the Legal Claim totaling RMB 5,957,800 and the application fees relating to property preservation measures totaling RMB 5,000. Jishan P&D shall pay the costs and disbursements of the Counter-Claim totaling RMB 220,900.
- (5) Either party shall have the right to file an appeal against the Judgment with the Supreme People’s Court within 15 days after the date on which the written Judgment was served.

The Board is reviewing the Judgment with its legal advisers and will make any follow-up announcements if needed.

Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors should exercise caution when dealing in the shares of the Company. When in doubt as to the action they should take, shareholders and potential investors should consult their legal, financial, tax or other advisers.

BY ORDER OF THE BOARD

Xiao Ziliang
Executive Director/ Chief Executive Officer

25 October 2018