

**RESPONSE TO QUERIES FROM SGX-ST ON THE COMPANY'S ANNOUNCEMENT DATED 31 MARCH 2016**

---

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 31 March 2016 on the emphasis of matter in the Independent Auditors' Report for FY2015 (the "**Prior Announcement**").

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

**Query:**

For the Exchange's consideration under Rule 1303(3)(c) and noting the Independent Auditor's findings on "Going concern" on page 34-35 of the Company's annual report, please provide the following information:-

- (a) the Board's opinion if the Company will be able to operate as going concern and basis for the Board's view; and
- (b) the Board's confirmation that all 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) The Group continues to implement measures to tighten cost controls over various operating expenses in order to improve profitability and generate positive cash flows from operations. In this regard, management has prepared a cash flow projection, which shows the Group will have adequate working capital for its operations and will be able 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, as assumed in the cash flow projection mentioned above. 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.
- (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**

Yu Ming Hai  
Executive Director  
13 April 2016