

QUERIES FROM THE SINGAPORE EXCHANGE LIMITED ("SGX") ON THE UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017

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 28 December 2016, 6 April 2017 and 6 June 2017 (the "**Previous Announcements**").

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

The Board would like to provide the following information in response to the queries from the SGX regarding the unaudited financial statements of the Group for the financial period ended 31 March 2017 ("**1Q2017**"), which was announced on 12 May 2017:

SGX query 1

In FY2016, based on the cashflow statement of the Company, there was an amount of RMB80 million received as deposit for the disposal of a subsidiary under investing activities. In the results for 1Q2017, cash at bank amounted to RMB 36.5 million. Please advise where is the deposit amount of RMB 80 million as at 31 March 2017 reflected in the balance sheet?

The Company's response to query 1

The deposit of RMB80 million is reflected in other payables and cash at bank as at Q4 FY2016, part of RMB80 million was utilized for repayment of bank loans of RMB38 million and purchases of Property, plant and equipment as reflected in the cashflows statement during 1Q2017.

SGX query 2

The Company announced on 6 April 2017 a supplemental agreement to dispose of the Group's wholly owned subsidiaries, Zhejiang Jishan Printing and Dyeing Co., Ltd and Shao Xing Yue Sheng Real Estate Property Development Co., Ltd. This was subject to, inter alia, the Company 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. Please advise updates to this agreement and its status.

The Company's response to query 2

Pursuant to the Supplementary Agreement (to the Share Transfer Agreement) dated 5 April, the Company had submitted the draft circular to the SGX for seeking shareholder approval.

Based on the SGX listing rules and requirement, Guarantor#1 (being a company incorporated in the PRC), as at the date of this Announcement, its shareholders are Mr. Jin Guan Liang, Shaoxing TiandiReal Estate Development Co. Ltd, and Ms. Jin Yao Yun, holding 80%, 10% and 10% of equity interest in Guarantor#1 respectively. Mr. Jin Guan Liang is the Executive Chairman of the Company, while Ms. Jin Yao Yun is the spouse of Mr. Jin Guan Liang. Shaoxing TiandiReal Estate Development Co. Ltd is wholly-owned by Mr. Jin Guan Liang. Accordingly, Mr. Jin Guan Liang (and his associates including Ms. Jin Yao Yun and Shaoxing TiandiReal Estate Development Co. Ltd) and Guarantor#1 are considered to be interested persons, and the Proposed Disposal would constitute an interested person transaction pursuant to Chapter 9 of the SGX Listing Manual.

In this regard, the Company is currently seeking an appropriate independent financial adviser in relation to the Proposed Disposal.

BY ORDER OF THE BOARD

Xiao Ziliang
Executive Director/ Chief Executive Officer

11 June 2017