
QUERIES FROM THE SINGAPORE EXCHANGE LIMITED ("SGX") ON THE UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016

The Board of Directors (the "**Board**") of China Jishan Holdings Limited (the "**Company**") and together with its subsidiaries, the "**Group**"), 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 December 2016 (the "**Financial Results**"), which was announced on 1 March 2017:

SGX query 1

Under the Company's income statement, the Company recorded a loss on disposal of property, plant and equipment amounting to RMB8.12 million. Please provide:-

- (a) A breakdown and details of the property, plant and equipment that led to the loss of disposal of RMB8.12 million; and
- (b) The identities to whom the property, plant and equipment were disposed to as well as the term of the disposals.

The Company's response to query 1

- (a) Please see the breakdown and details of the property, plant and equipment that led to the loss of disposal of RMB8.12 million below:

	RMB'000
Sale consideration	11,691
Less Net book value	(19,828)N1
Loss of disposal of property, plant and equipment	(8,137)

(N1) - Breakdown of property, plant and equipment disposed:

RMB'000	Plant and machinery	Motor vehicles	Total
Cost	35,717	289	36,006
Depreciation & impairment	(15,889)	(289)	(16,178)
Net book value	19,828	-	19,828

(b) The identities of the major purchasers as well as the term of the disposals are set out as follows:

No.	Parties	Sale consideration	Assets disposed
1.	Dai Guofeng (the purchaser) and Zhejiang Jishan Printing and Dyeing Co., Ltd (the vendor)	RMB860,000	Machinery x 4 units
2.	Zhang Jianjun (the purchaser) and Zhejiang Jishan Printing and Dyeing Co., Ltd (the vendor)	RMB1,300,000	Machinery and equipment x 12 units
		RMB800,000	Machinery x 2 units
3.	Cao Weiping (the purchaser) and Zhejiang Jishan Printing and Dyeing Co., Ltd (the vendor)	RMB250,000	Machinery and equipment x 2 units
4.	Lin Hongwei (the purchaser) and Zhejiang Jishan Printing and Dyeing Co., Ltd (the vendor)	RMB4,830,000	Machinery and equipment x 73 units
5.	Shaoxing Li Xin Printing & Dyeing Co., Ltd ("Li Xin") (the purchaser) and Zhejiang Jishan Printing and Dyeing Co., Ltd (the vendor)	RMB1,000,000	Machinery x 1 unit
6.	Chen Yonglin (the purchaser) and Zhejiang Jishan Printing and Dyeing Co., Ltd (the vendor)	RMB1,070,000	Machinery and equipment x 8 units
7.	Hailong Fei Long Printing & Dyeing Co., Ltd ("Fei Long") (the purchaser) and Zhejiang Jishan Printing and Dyeing Co., Ltd (the vendor)	RMB714,000	Machinery x 1 unit

All the purchasers above are unrelated to the directors and controlling shareholders of the Company or associates of the directors or controlling shareholder of the Company.

SGX query 2

On page 8 of the Financial Results, the Company disclosed that Other Payables increased by RMB143.9 million mainly due to ,amongst others, the increase in payables for the contractors for the construction of the new factory in Binhai of approximately RMB43 million. Please provide the following:-

- The breakdown the cost of RMB43 million for the construction of the new factory;
- Details of the location and the capacity of the new factory in Binhai; and
- Details of the total cost of construction of the new factory, including a breakdown of these costs;

The Company's response to query 2

- The breakdown of the payables of RMB43 million for the construction of the new factory in Binhai as at 31 December 2016 is set out as follows:

Suppliers	Amount (RMB'000)	Assets
Zhejiang Tianyu Construction Co., Ltd	21,601	Factory
Zhejiang Jinyun Garden Construction Engineering Co., Ltd	21,231	Factory
TOTAL	42,832	

(b) The details of the location and the capacity of the new factory in Binhai are set out as follows:

<u>Location</u>	<u>Existing Use</u>	<u>Site Area (sqm)</u>	<u>Capacity (meters)</u>
Hai Tu Jiu San Qiu, Keqiao, Shaoxing City, Zhejiang Province, PRC	Factory	76,557	70,000,000

(c) The details of the total cost of construction of the new factory, including a breakdown of these costs incurred, as at 31 December 2016, are set out as follows:

Items	Amount (RMB'000)
Factory Buildings	RMB68,436
Hostel & Admin Buildings	RMB10.107
Other construction costs	RMB5,646
TOTAL	RMB84,189

SGX query 3

In the Company's comments on Revenue on page 7 of the Financial Results, the Company disclosed that the revenue for FY2016 consisted on rental income of RMB23.1 million. Please disclose the identity of the tenant, the details of the rental contract and the relationship (if any) between the tenant and any of the directors, controlling shareholders of the Company or associates of the directors or controlling shareholder of the Company.

The Company's response to query 3

The identity of the tenant and the details of the rental contract are set out as follows:

No.	Parties	Size	Terms
1.	Dai Yuefeng (the lessee) and Zhejiang Jishan Printing and Dyeing Co., Ltd (the lessor)	17456 m ²	Lease agreement dated 31 December 2014: a. Term: From 1 January 2015 to 31 December 2019. b. Consideration: (i) RMB7,000,000 per year in Kebei land from 1 January 2015 to 31 December 2015; and (ii) RMB8,000,000 per year in Binhai land from 1 January 2016 to 31 December 2019.
		13350 m ²	Lease agreement dated 30 November 2016: a. Term: From 1 August 2016 to 31 July 2021. b. Consideration: RMB6,007,500 per year in Binhai land.
2.	Li Ji Ming (the lessee) and Zhejiang Jishan Printing and Dyeing Co., Ltd (the lessor)	11046.5 m ²	Lease agreement dated 16 February 2015: a. Term: From 1 March 2015 to 29 February 2020. b. Consideration: (i) RMB7,000,000 per year in Kebei land from 1 March 2015 to 29 February 2016; and (ii) RMB6,500,000 per year in Binhai land from 1 March 2016 to 29 February 2020.
3.	Shen Jiamin (the lessee) and Zhejiang	11046.5 m ²	Lease agreement dated 16 January 2015:

	Jishan Printing and Dyeing Co., Ltd (the lessor)		<p>a. Term: From 1 February 2015 to 31 January 2020.</p> <p>b. Consideration: (i) RMB7,000,000 per year in Kebei land from 1 February 2015 to 31 January 2016; and (ii) RMB6,500,000 per year in Binhai land from 1 February 2016 to 31 January 2020.</p>
4.	Xu Xingfang (the lessee) and Zhejiang Jishan Printing and Dyeing Co., Ltd (the lessor)	11808 m ²	<p>Lease agreement dated 30 November 2016:</p> <p>a. Term: From 1 August 2016 to 31 December 2021.</p> <p>b. Consideration: RMB5,313,600 per year in Binhai land.</p>
5.	Zhang Yongyao (the lessee) and Zhejiang Jishan Printing and Dyeing Co., Ltd (the lessor)	1749 m ²	<p>Lease agreement dated 20 February 2016:</p> <p>a. Term: From 20 February 2016 to 20 August 2016.</p> <p>b. Consideration: RMB349,800 per year in Kebei land.</p>

All the tenants above are unrelated to the directors and controlling shareholders of the Company or associates of the directors or controlling shareholder of the Company.

BY ORDER OF THE BOARD

Xiao Ziliang
Executive Director/ Chief Executive Officer

11 April 2017