

**THE PROPOSED DISPOSAL OF THE ENTIRE EQUITY INTEREST IN SHAO XING YUE SHENG REAL ESTATE PROPERTY DEVELOPMENT CO., LTD**

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**1. INTRODUCTION**

The Board of Directors (the “**Board**”) of China Jishan Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to refer to the announcements of the Company dated 28 December 2016 and 6 April 2017 (the “**Prior Announcements**”) and would like to provide further updates below.

***Capitalised terms not defined herein shall bear the same meaning as terms defined in the Prior Announcements.***

The Board wishes to update that the Company had written to the Purchaser several times recently to remind the Purchaser that the parties need to finalise the consideration price (based on updated valuation) in accordance with the requirements of the independent financial adviser and the Listing Rules. The Purchaser has responded and declined to revise the consideration price in accordance with the latest valuation.

As a consequence, the Company has notified the Purchaser as follows:

- the Agreement dated 24 December 2016 had been amended by the Supplemental Agreement (as signed by the parties on 5 April 2017), whereby the price had been revised upwards in accordance with a more updated independent valuation report;
- an updated valuation was a necessary condition (as required by the Listing Rules and the independent financial adviser) to ensure that the purchase consideration reflects the true and fair market price;
- pursuant to the Purchaser's refusal to agree to a revised purchase consideration which is based on an updated independent valuation, this has affected the progress of the transaction and has thus affected the Company's ability to submit the necessary applications to SGX-ST to approve the transaction; and
- as a consequence of the Purchaser's conduct, and to protect the interest of the Company's shareholders, the Company has notified the Purchaser of the termination of the Agreement (and the Supplemental Agreement), and the Company reserves its full legal rights in relation to this matter.

The Company will make further announcements as and when there are material updates in relation to the above.

**BY ORDER OF THE BOARD**

Xiao Ziliang  
Executive Director/ Chief Executive Officer  
10 October 2017