

UPDATE ON THE LAUNCH OF PRE-SALES OF PROPERTIES

The Board of Directors (“**Board**”) of China Jishan Holdings Limited (“**Company**”, and together with its subsidiaries, the “**Group**”) refers to:

- (1) the Company’s announcement dated 1 July 2020 in relation to, *inter alia*, the obtaining of Construction Planning Permit by the Company in relation to the Proposed Development of Land Assets (the “**Construction Planning Permit Announcement**”); and
- (2) the Company’s announcement dated 31 July 2020 in relation to the obtaining of Pre-Sale Permit and launch of Pre-Sales of Properties (the “**Pre-Sale Announcement**”).

Unless otherwise stated, all capitalised terms used herein shall have the same meaning ascribed to them in the Construction Planning Permit Announcement and the Pre-Sale Announcement.

The Board wishes to announce that, following the launch of the Pre-Sales on 1 August 2020, Shaoxing Yue Sheng has secured contracts amounting to approximately RMB 330.7 million in respect of the sale of the residential Properties at the Project. Of this RMB 330.7 million, approximately RMB 125.5 million has been received by the Company as at the date of this announcement, and the remaining portion of approximately RMB 205.2 million will be paid by the buyers through mortgage loans at a later stage. The sale proceeds are intended to be used for the repayment of the principal and interests of the loan from the third-party lender and the payment of the costs in relation to the Project.

As disclosed in the Pre-Sale Announcement, monies received and/or to be received by the Group from the Pre-Sales will not have an impact on the profit and loss of the Group in FY2020 since the Pre-Sales may only be recognised in the profit and loss statements of the Group upon the successful completion and delivery of the Properties to the buyers, which is estimated to be 3 years from the success of the Pre-Sales (that is, in the financial year ending 31 December 2023). In addition, monies received and/or to be received by the Group from the Pre-Sales will also not have impact on the net tangible assets of the Group in FY2020, as monies received and/or to be received from the Pre-Sales will be recognised on the balance sheet in FY2020 as (a) an asset, being cash received from customers, and (b) a liability, being other payables - Pre-Sale deposits from customers.

Further, as highlighted in the Pre-Sale Announcement, this is the Group’s opportunistic and first foray into real estate development in the PRC and the Group does not have any track record or prior experience in real estate development. As such, there is no certainty that the Group will be successful in the Pre-Sales. In addition, the Group may face various potential challenges. For example, there may be changes in the PRC’s government policies which aim to control real estate price appreciation. Also, the Group may not be able to obtain all the government permits necessary for the completion of the Project on a timely basis, manage the construction activities effectively to minimize cost overruns, avoid time delays in completing the Project and/or ensure profitability of the Proposed Development of Land Assets.

The Company will make such further announcements at the appropriate juncture, as and when there are material developments in relation to the Proposed Development of Land Assets and the Pre-Sales.

BY ORDER OF THE BOARD

Xiao Ziliang
Executive Director/ Chief Executive Officer

17 August 2020