CWG INTERNATIONAL LIMITED
(Company Reg. No. 200610437K)

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

PART 1 -INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY ("1Q", "2Q"&"3Q"), HALF-YEAR ("HY") AND FULL YEAR ("FY") RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP			GROUP		
	3Q2017 RMB'000	3Q2016 RMB'000	% Change + / (-)	9M2017 RMB'000	9M2016 RMB'000	% Change + / (-)
Revenue	193,013	118,072	63%	1,455,865	1,335,072	9%
Cost of sales	(120,195)	(74,235)	62%	(1,197,071)	(1,187,545)	1%
Gross profit	**72,818**	**43,837**	**66%**	**258,794**	**147,527**	**75%**
Other income	7,672	585	1,211%	21,847	4,064	438%
Selling and distribution expenses	(31,820)	(36,993)	(14%)	(117,633)	(84,490)	39%
Administrative expenses	(50,667)	(26,402)	92%	(133,857)	(99,529)	34%
Other operating expenses	(369)	(7,723)	(95%)	(1,941)	(8,375)	(77%)
Results from operating activities	**(2,366)**	**(26,696)**	**(91%)**	**27,210**	**(40,803)**	**n.m.**
Net finance costs	(26,560)	(20,255)	31%	(74,595)	(46,335)	61%
Share of results of joint ventures and associate, net of tax	(1,676)	(917)	83%	(4,110)	6,182	n.m.
Loss before income tax	(30,602)	(47,868)	(36%)	(51,495)	(80,956)	(36%)
Income tax expense	(4,486)	(8,707)	(48%)	(28,547)	(33,245)	(14%)
Loss for the period	**(35,088)**	**(56,575)**	**(38%)**	**(80,042)**	**(114,201)**	**(30%)**
Loss attributable to:						
Owners of the Company	(24,963)	(53,338)	(53%)	(63,720)	(107,466)	(41%)
Non-controlling interests	(10,125)	(3,237)	213%	(16,322)	(6,735)	142%
Loss for the period	**(35,088)**	**(56,575)**	**(38%)**	**(80,042)**	**(114,201)**	**(30%)**

Note:

n.m : denotes not meaningful.

(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP			GROUP		
	3Q2017	**3Q2016**	**% Change**	**9M2017**	**9M2016**	**% Change**
	RMB'000	**RMB'000**	**+ / (-)**	**RMB'000**	**RMB'000**	**+ / (-)**
Loss for the period	**(35,088)**	**(56,575)**	**(38%)**	**(80,042)**	**(114,201)**	**(30%)**
Other comprehensive (loss)/income						
Items that are or maybe reclassified subsequently to profit or loss:						
Foreign currency translation differences on foreign operations/Total other comprehensive (loss)/income for the period	3,655	(671)	n.m.	8,595	17,342	(50%)
Total comprehensive loss for the period	**(31,433)**	**(57,246)**	**(45%)**	**(71,447)**	**(96,859)**	**(26%)**
Total comprehensive loss attributable to:						
Owners of the Company	(21,308)	(53,990)	(61%)	(55,181)	(90,088)	(39%)
Non-controlling interests	(10,125)	(3,256)	211%	(16,266)	(6,771)	140%
Total comprehensive loss for the period	**(31,433)**	**(57,246)**	**(45%)**	**(71,447)**	**(96,859)**	(26%)

Note:

n.m : denotes not meaningful.

1(a)(ii) Notes to the income statement

Loss before income tax is stated after charging/ (crediting):

	Group		Group	
	3Q2017 RMB'000	**3Q2016 RMB'000**	**9M2017 RMB'000**	**9M2016 RMB'000**
Depreciation of property, plant and equipment	1,579	490	2,489	1,542
Finance income	(1,849)	(11,403)	(13,562)	(18,172)
Finance cost	28,409	31,658	88,157	64,507
Foreign exchange (gain)/loss	(6,802)	4,825	(16,610)	3,568
Reverse of impairment loss on development properties	(59)	-	(3,305)	-
Gain on disposal of financial assets available-for-sale	-	-	(198)	(956)
Gain on disposal of interests in joint ventures	-	-	-	(943)
Loss/(Gain) on disposal of property, plant and equipment	245	6	(592)	(15)
Under/(Over) provision of tax in respect of prior years	-	847	36	(1,464)

1(b)(i) A statement of financial position (for the issuer and group) together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30-Sep-2017 RMB'000	31-Dec-2016 RMB'000	30-Sep-2017 RMB'000	31-Dec -2016 RMB'000
Assets				
Property, plant and equipment	5,523	4,822	-	-
Investment properties	1,309,116	1,190,200	-	-
Subsidiaries	-	-	1,476,040	1,441,794
Joint ventures	296,898	98,813	-	-
Associate	5,524	4,438	-	-
Deferred tax assets	143,613	121,358	-	-
Other receivables	167,980	176,928	-	-
Non-current assets	1,928,654	1,596,559	1,476,040	1,441,794
Development properties	12,896,090	7,698,063	-	-
Contract work-in-progress	399,431	397,888	-	-
Financial assets	59,010	55,000	-	-
Trade receivables, other receivables and advance payments	2,640,163	3,542,347	244,825	275,089
Cash and cash equivalents	2,945,785	2,027,412	230	4,996
Current assets	18,940,479	13,720,710	245,055	280,085
Total assets	**20,869,133**	**15,317,269**	**1,721,095**	**1,721,879**
Equity				
Share capital	298,577	298,577	1,582,272	1,582,272
Reserves	237,523	331,511	(5,769)	(5,533)
Equity attributable to owners of the Company	536,100	630,088	1,576,503	1,576,739
Other equity instruments	214,695	214,695	143,781	143,781
	750,795	844,783	1,720,284	1,720,520
Non-controlling interests	451,236	642,623	-	-
Total equity	**1,202,031**	**1,487,406**	**1,720,284**	1,720,520

	Group		Company	
	30-Sep-2017 RMB'000	31-Dec-2016 RMB'000	30-Sep-2017 RMB'000	31-Dec -2016 RMB'000
Liabilities				
Loans and borrowings	4,807,531	5,622,556	-	-
Deferred tax liabilities	117,620	115,873	-	-
Non-current liabilities	4,925,151	5,738,429		-
Loans and borrowings	4,438,137	2,501,394	-	-
Trade payables and other payables and	2,660,653	1,813,945	811	1,359
Advance receipts from sales	7,150,404	3,088,110		
Advance receipts from government	442,499	439,853	-	-
Tax payable	50,258	248,132	-	-
Current liabilities	14,741,951	8,091,434	811	1,359
Total liabilities	**19,667,102**	**13,829,863**	**811**	**1,359**
Total equity and liabilities	**20,869,133**	**15,317,269**	**1,721,095**	**1,721,879**

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30 September 2017		As at 31 December 2016	
Secured	**Unsecured**	**Secured**	**Unsecured**
RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
3,879,455	558,682	2,391,394	110,000

Amount repayable after one year

As at 30 September 2017		As at 31 December 2016	
Secured	**Unsecured**	**Secured**	**Unsecured**
RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
4,524,972	282,559	5,622,556	-

The secured borrowings of the Group are secured by the following:

(i) the Group's investment properties and development properties with total carrying amounts of RMB 13,746,207,000(as at 31 December 2016: RMB5,658,393,000);

(ii) net assets of Suzhou Jiarun and SCLG of the Group;

(iii) the following equity interests in the Group entities are pledged as collaterals to financial institutions:

- SCLG's 100% equity interest in Xuancheng Chiway;
- SCLG's 60% equity interests in Suzhou Chiway Shangcheng;
- SCLG's 31% equity interests in Xuzhou Chiway;
- SCLG's 100% equity interests in Shanghai Fuyuan;
- Shanghai Tongrui's 49% equity interests in Xuzhou Chiway;
- Suzhou Chiway Shangcheng's 100% equity interests in Suzhou Shanghong;
- Suzhou Chiway Shangcheng's 100% equity interests in Wuhan Chiway;
- Suzhou Chiway Shangcheng's 95% equity interests in Suzhou Hengtang;
- Suzhou Chiway Shangcheng's 95% equity interests in Zhangjiagang Wanhong; and
- Suzhou Chiway Shangcheng's 95% equity interests in Wuxi Taihu.

(iv) a personal guarantee provided by Mr. Qian Jianrong;

(v) a corporate guarantee provided by SCLG; and

(vi) a corporate guarantee provided by the Company.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		Group	
	3Q 2017	3Q 2016	9M 2017	9M 2016
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from operating activities				
Loss for the period	(35,088)	(56,575)	(80,042)	(114,201)
Adjustments for:				
Depreciation of property, plant and equipment	1,579	490	2,489	1,542
Gain on disposal of financial assets available-for-sale	-	-	(198)	(956)
Loss/(Gain) on disposal of property, plant and equipment	245	6	(592)	(15)
Reversal of impairment loss on development properties	(59)	-	(3,305)	-
Net finance costs	26,560	20,255	74,595	46,335
Share of results of joint ventures, net of tax	1,676	917	4,110	(6,182)
Gain on disposal of joint venture	-	-	-	(943)
Foreign exchange loss	(6,802)	4,825	(16,610)	3,568
Income tax expense/(credit)	4,486	8,707	28,547	33,245
	(7,403)	(21,375)	8,994	(37,607)
Changes in:				
- Development properties	958,061	(131,303)	(3,025,124)	(2,130,308)
- Trade receivables, other receivables and advance payments	4,797,494	(2,117,028)	6,743,319	(685,796)
- Trade payables, other payables and advance receipts	(4,751,000)	605,711	(2,286,205)	1,190,033
- Contract work-in-progress	(338)	(14,579)	(1,542)	(21,087)
Cash (used in)/generated from operations	996,814	(1,678,574)	1,439,442	(1,684,765)
Income tax paid	(66,394)	(20,369)	(314,635)	(82,046)
Net cash from /(used in) operating activities	**930,420**	**(1,698,943)**	**1,124,807**	**(1,766,811)**
Cash flows from investing activities				
Acquisition of financial assets held for trading	(59,010)	-	(59,010)	(1,500)
Acquisition of property, plant and equipment	(1,534)	(847)	(4,224)	(970)
Acquisition of subsidiary, net of cash acquired	(59,883)	-	(144,158)	-
Investments in joint venture	(2,447)	(33,281)	(199,781)	(33,281)
Investments in associate	3,500	-	3,500	-
Proceeds from disposal of joint venture	-	-	-	15,733
Dividends from joint ventures	-	-	-	2,059
Decrease/(Increase) in amounts due from related corporations, non-trade	19,999	1,360	(30,062)	6,122
(Increase)/Decrease in amounts due from non-controlling interests, non-trade	(67,500)	-	143,152	33,500
(Increase)/Decrease in amounts due from joint ventures, non-trade	(181,630)	19,966	(404,136)	(10,571)
(Increase)/Decrease in amounts due from associate, non-trade	(19,599)	-	8,331	-
Development expenditure on investment properties	(71,607)	(154,368)	(118,916)	(171,477)

	Group		Group	
	3Q 2017	3Q 2016	9M 2017	9M 2016
	RMB'000	RMB'000	RMB'000	RMB'000
Interest received	1,672	11,403	13,386	18,172
Proceeds from disposal of property, plant and equipment	-	-	1,826	46
Proceeds from redemption of financial assets available-for-sale	-	-	55,198	252,456
Net cash (used in)/from investing activities	**(445,039)**	**(155,767)**	**(741,894)**	**110,289**
Cash flows from financing activities				
Capital contribution from non-controlling interests	-	38,366	-	40,866
Capital reduction in respect of non-controlling shareholders	-	(17,500)	(101,650)	(17,500)
Dividends paid	-	-	(106,186)	(16,000)
Acquisition of non-controlling interests	(2,607)	-	(2,607)	-
Interest paid	(152,956)	(109,590)	(489,724)	(328,362)
(Increase)/Decrease in restricted cash	(864,558)	349,439	(1,284,606)	(349,504)
Increase/(Decrease) in amounts due to related corporations (non-trade)	58,806	2,722	58,820	(2,090)
Increase/(Decrease) in amounts due to non-controlling interests (non-trade)	-	4	-	(17,589)
Decrease in amounts due to joint ventures (non-trade)	5	-	16,990	-
(Decrease)/Increase in bills payable	(33,699)	(128,550)	34,589	(82,750)
Proceeds of borrowings from financial institutions	1,984,729	1,108,697	3,739,746	3,805,450
Repayment of borrowings from financial institutions	(358,686)	(739,902)	(2,085,775)	(2,249,002)
Proceeds of borrowings from non-controlling shareholders	550,093	1,702,208	1,298,544	2,326,386
Repayment of borrowings from non-controlling interests	(1,200,000)	(440,000)	(1,765,000)	(1,440,000)
Proceeds of borrowings from unquoted debt securities	1,084	38,073	33,099	282,654
Repayment of borrowings from unquoted debt securities	(57,790)	(70,280)	(98,896)	(78,780)
Net cash (used in)/from financing activities	**(75,579)**	**1,733,687**	**(752,656)**	**1,873,779**
Net increase /(decrease) in cash and cash equivalents	409,802	(121,023)	(369,743)	217,257
Cash and cash equivalents at the beginning of period	845,250	1,327,434	1,622,371	985,301
Effect of exchange rate changes on cash held	1,086	(737)	3,510	3,116
Cash and cash equivalents at the end of period	1,256,138	1,205,674	1,256,138	1,205,674
Restricted cash at the end of period	1,689,647	567,736	1,689,647	567,736
Cash and cash equivalents in the statement of financial position	**2,945,785**	**1,773,410**	**2,945,785**	**1,773,410**

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share capital RMB'000	Reserve for own shares RMB'000	Merger reserve RMB'000	Statutory reserve RMB'000	Foreign currency translation reserve RMB'000	Retained earnings RMB'000	Total ordinary equity RMB'000	Other equity instruments RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2017	298,577	(522)	(44,710)	152,867	(106,203)	330,079	630,088	214,695	844,783	642,623	1,487,406
Total comprehensive loss for the period											
Loss for the period	-	-	-	-	-	(63,720)	(63,720)	-	(63,720)	(16,322)	(80,042)
Other comprehensive income											
Foreign currency translation differences on foreign operations	-	-	-	-	8,539	-	8,539	-	8,539	56	8,595
Total other comprehensive income	-	-	-	-	8,539	-	8,539	-	8,539	56	8,595
Total comprehensive income/(loss) for the period	-	-	-	-	8,539	(63,720)	(55,181)	-	(55,181)	(16,266)	(71,447)
Transaction with owners, recognised directly in equity											
Contributions by and distributions to owners											
Dividends paid	-	-	-	-	-	(32,436)	(32,436)	-	(32,436)	(73,750)	(106,186)
Purchase of treasury shares	-	(3,457)	-	-	-	-	(3,457)	-	(3,457)	-	(3,457)
Capital reduction in respect of non-controlling interests	-	-	-	-	-	-	-	-	-	(101,650)	(101,650)
Total contributions by and distributions to owners	-	(3,457)	-	-	-	(32,436)	(35,893)	-	(35,893)	(175,400)	(211,293)

	Share capital RMB'000	Reserve for own shares RMB'000	Merger reserve RMB'000	Statutory reserve RMB'000	Foreign currency translation reserve RMB'000	Retained earnings RMB'000	Total ordinary equity RMB'000	Other equity instruments RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Changes in ownership interests in subsidiary											
Purchase of interest in subsidiary from non-controlling interests	-	-	-	-	-	(2,914)	(2,914)	-	(2,914)	279	(2,635)
Total changes in ownership interests in subsidiary	**-**	**-**	-	-	-	(2,914)	(2,914)	-	(2,914)	279	(2,635)
Total transactions with owners	**-**	(3,457)	-	-	-	(35,350)	(38,807)	-	(38,807)	(175,121)	(213,928)
At 30 Sep 2017	**298,577**	**(3,979)**	**(44,710)**	**152,867**	**(97,664)**	**231,009**	**536,100**	**214,695**	**750,795**	**451,236**	**1,202,031**

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Share capital RMB'000	Merger reserve RMB'000	Statutory reserve RMB'000	Foreign currency translation reserve RMB'000	Retained earnings RMB'000	Total ordinary equity RMB'000	Other equity instruments RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2016	298,577	(44,710)	113,767	(117,927)	265,500	515,207	214,695	729,902	516,317	1,246,219
Total comprehensive loss for the period										
Loss for the period	-	-	-	-	(107,466)	(107,466)	-	(107,466)	(6,735)	(114,201)
Other comprehensive income										
Foreign currency translation differences on foreign operations	-	-	-	17,378	-	17,378	-	17,378	(36)	17,342
Total other comprehensive income	-	-	-	17,378	-	17,378	-	17,378	(36)	17,342
Total comprehensive income/(loss) for the period	-	-	-	17,378	(107,466)	(90,088)	-	(90,088)	(6,771)	(96,859)
Transactions with owners, recognised directly in equity										
Distribution to shareholders										
Dividends declared to non-controlling shareholders	-	-	-	-	-	-	-	-	(16,000)	(16,000)
Total distribution to shareholders	-	-	-	-	-	-	-	-	(16,000)	(16,000)
Changes in ownership interests in subsidiaries										
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	40,866	40 ,866
Capital reduction in respect of non-controlling shareholders	-	-	-	-	-	-	-	-	(17,500)	(17,500)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	23,366	23,366
Total transactions with owners	-	-	-	-	-	-	-	-	7,366	7,366
At 30 September 2016	**298,577**	**(44,710)**	**113,767**	**(100,549)**	**158,034**	**425,119**	**214,695**	**639,814**	**516,912**	**1,156,726**

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Company	Share capital RMB'000	Reserve for own shares RMB'000	Warrants reserve RMB'000	Foreign currency translation reserve RMB'000	Accumulated profits RMB'000	Total ordinary equity RMB'000	Other equity instruments RMB'000	Total equity RMB'000
At 1 January 2017	1,582,272	(522)	6,094	(48,306)	37,201	1,576,739	143,781	1,720,520
Total comprehensive income for the period								
Profit for the period	-	-	-	-	(4,049)	(4,049)	-	(4,049)
Other comprehensive income								
Foreign currency translation differences	-	-	-	39,706	-	39,706	-	39,706
Total other comprehensive income	-	-	-	39,706	-	39,706	-	39,706
Total comprehensive income for the period	-	-	-	39,706	(4,049)	35,657	-	35,657
Transaction with owners, recognised directly in equity								
Contributions by and distributions to owners								
Dividends paid	-	-	-	-	(32,436)	(32,436)	-	(32,436)
Purchase of treasury shares	-	(3,457)	-	-	-	(3,457)	-	(3,457)
Total transaction with owners	-	(3,457)	-	-	(32,436)	(35,893)	-	(35,893)
At 30 Sep 2017	1,582,272	(3,979)	6,094	(8,600)	716	1,576,503	143,781	1,720,284

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Company	Share capital RMB'000	Warrants reserve RMB'000	Foreign currency translation reserve RMB'000	Retained earnings RMB'000	Total ordinary equity RMB'000	Other equity instruments RMB'000	Total equity RMB'000
At 1 January 2016	1,582,272	6,094	(120,949)	(38,399)	1,429,018	143,781	1,572,799
Total comprehensive loss for the period							
Loss and total comprehensive loss for the period	-	-	-	(2,168)	(2,168)	-	(2,168)
Other comprehensive income							
Foreign currency translation differences	-	-	103,465	-	103,465	-	103,465
Total other comprehensive income	-	-	103,465	-	103,465	-	103,465
Total comprehensive income/(loss) for the period	-	-	103,465	(2,168)	101,297	-	101,297
At 30 September 2016	1,582,272	6,094	(17,484)	(40,567)	1,530,315	143,781	1,674,096

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no changes in the Company's share capital in 3Q2017. The share capital of the Company as at 30 September 2017 and at 31 December 2016 was RMB1,582,272,000 comprising 666,851,006 shares.

The Company has treasury shares of RMB3,978,945 comprising 4,812,400 shares as at 30 September 2017 and RMB521,514 comprising 665,000 shares at 31 December 2016.

The Company had no outstanding warrants as at 30 September 2017, and 47,488,212 warrants as at 30 September 2016 which expired on 6 January 2017.

Perpetual capital securities of S$30 million (RMB143.78 million) was issued to a non-controlling shareholder on 17 October 2014. There were no new perpetual capital securities issued by the Company as at 30 September 2017.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	30 September 2017	31 December 2016
Total number of issued ordinary shares	662,038,606	666,186,006

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

The Company has 4,812,400 treasury shares at costs of RMB3,978,945 as at 30 September 2017. There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

These figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except as disclosed in note 5, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statement for the financial period ended 30 September 2017 as those used in the audited consolidated financial statements of Chiwayland International Limited and its subsidiaries for the financial year ended 31 December 2016.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has adopted all new and revised Financial Reporting Standards ("FRS") and interpretation to FRS ("INT FRS") that are relevant to its operations and effective for the financial year beginning on 1 January 2017. The adoption of these new and revised FRS, and INT FRS did not result in substantial changes in the Group's accounting policies, and there is no material impact on the consolidated financial statements of the Group and the financial statements of the Company.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

The basic earnings per share of the Group for the 3Q2017 and 9M2017 are computed based on weighted average number of ordinary shares outstanding in the period.

	Group 3Q 2017	Group 3Q 2016	Group 9M2017	Group 9M2016
Loss for the period attributable to owners of the Company (RMB '000)	(30,643) (1)	(58,760) (1)	(80,670) (1)	(123,731)(1)
Weighted average number of ordinary shares in issue	662,038,606	666,186,006	662,107,520	666,186,006
Earnings per ordinary share of the Group				
(i) Basic (RMB cents)	(4.63)	(8.82)	(12.18)	(18.57)
(ii) Diluted (RMB cents)	(4.63)	(8.82)	(12.18)	(18.57)

Note:

(1) Net loss for the period attributable to owners of the Company for the purpose of computing EPS is net of 1) the dividends payable on the perpetual capital securities amounting RMB3.31 million, and RMB9.92 million for 3Q2017 and 9M2017 respectively; and RMB3.22 million and RMB9.69 million for 3Q2016 and 9M2016, respectively; 2) the dividends payable on redeemable preference shares by a subsidiary to non-controlling interests amounting to RMB2.37 million, and RMB 7.03 million for 3Q2017 and 9M2017, respectively, and, RMB2.19 million and RMB6.58 million for 3Q2016 and 9M2016.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Group 30 September 2017	Group 31 Dec 2016
Net asset value per ordinary share of the Group(1)		
(RMB cents)	149.1	191.0
Number of ordinary shares based on issued share capital at the end of the period reported on ('000)	662,039	666,186

	Company 30 September 2017	Company 31 Dec 2016
Net asset value per ordinary share of the Company(1)		
(RMB cents)	238.1	236.7
Number of ordinary shares based on issued share capital at the end of the period reported on ('000)	662,039	666,186

Note:
(1) Based on total equity less other equity instruments.

8. A review of performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on:

Review of Performance

3Q2017 vs 3Q2016

Revenue

The Group achieved revenue of RMB193.0 million for the quarter ended 30 September 2017 ("**3Q2017**"), an increase of 63% or RMB74.9 million from RMB118.1 million in the corresponding period in 2016. This is primarily due to an increase in the number of property units in Australia handed over to customers. Revenue for the property units sold and recognised was mainly attributable to Uptown Roseville, which contributed RMB133.8 million, or approximately 69% of the total revenue generated for 3Q2017. The Group saw an increase in the average selling price ("**ASP**") of its completed properties as a whole, of approximately RMB21,888 per sqm, from RMB8,760 per sqm for the quarter ended 30 September 2016 ("**3Q2016**") to RMB 30,648per sqm in 3Q2017. The increase was mainly due to the sales of Uptown Roseville in 3Q2017, which is situated in Sydney, Australia and therefore, able to command higher ASP. Although ASP increased, the aggregate Gross Floor Area ("**GFA**") sold and recognised decreased by approximately 50.4% or 5,919 square metres ("**sqm**"), from 11,738 sqm in 3Q2016 to 5,819 sqm for 3Q2017.

Together with higher revenue recognized, the Group experienced an encouraging increase in its pre-sales activities for 3Q2017. The Group recorded pre-sales GFA of approximately 63,608 sqm with an aggregate consideration of approximately RMB1,447.0 million for its development properties projects in the People's Republic of China ("PRC") during 3Q2017. This represents a decrease of GFA by 40%, or 41,672 sqm from 105,280 sqm, but an increase in aggregate consideration by 41%, or RMB420.6 million from RMB1,026.4 million, as compared to 3Q2016. In this period, Zhangjiagang Chiway Royal Paradise Bay and Suzhou Chiway Star Hub which are located in second tier cities, achieved good pre-sales results, accounting for approximately 33% and 24% of the total pre-sale consideration. The ASP of pre-sales increased from RMB9,749 per sqm in 3Q2016 to RMB22,748 per sqm in 3Q2017.

The Group also continued with its pre-sales activities for four of its property development projects in Australia. During 3Q2017, total of 20 units from these property development projects – Illumina, Uptown, Elan and Stellar, were pre-sold with a total aggregate consideration of AUD17.1 million (RMB89.1 million).

Note:
Revenue from property sales is recognised when the control and risk and rewards of the properties have been transferred to the buyer, i.e. when the legal title passes to the buyer or when the equitable interest in the property vests in the buyer upon signing of the property handover notice by the buyer, whichever is the earlier. Payments received from buyers prior to this stage (i.e. at pre-sales) are recorded as advances from customers for sale of properties and is classified as current liabilities. Please refer to the circular dated 10 June 2014 for more details on, amongst others, the policies and risks on the Company's pre-sales activities, as well as significant factors affecting the Company's results of operations.

Cost of sales and gross profit margin

In tandem with the increase in revenue, the Group's cost of sales, which comprises mainly of land acquisition costs, construction costs, capitalised borrowing costs and indirect costs incurred on the development properties sold, increased by 62% or RMB46.0 million from RMB74.2 million in 3Q2016 to RMB120.2 million in 3Q2017.

Gross profit increased by 66% or RMB29.0 million, from RMB43.8 million in 3Q2016 to RMB72.8 million in 3Q2017. Overall gross profit margin increased from 37.1% in 3Q2016 to 37.7% in 3Q2017. This was mainly due to higher profit margin contribution from revenue recognition of properties in Uptown Roseville which recorded a higher gross profit compared to the projects of last year.

Other income

Other income, which mainly comprised of gain on disposal of financial assets available-for-sale, foreign exchange gain and gain on disposal of property, plant and equipment, increased by 1,211% or RMB7.1 million from RMB0.6 million in 3Q2016 to RMB7.7 million in 3Q2017. The increase was also attributed to more foreign exchange gain in 3Q2017.

Selling and distribution expenses

Selling and distribution expenses comprised primarily of advertising and promotion expenses, sales commissions, sales offices rental expenses and maintenance costs. Selling and distribution expenses decreased by 14% or RMB5.2 million from RMB37.0 million in 3Q2016 to RMB31.8 million in 3Q2017. This was due mainly to the decrease in marketing expenditure on newly-launched projects and marketing activities in 3Q2017. Four projects were launched in 3Q2016, while one project was launched in 3Q2017.

Administrative expenses

Administrative expenses comprised of salaries and staff related expenses for general administrative staff, utilities expenses, telecommunication expenses, entertainment expenses, professional fees, travelling expenses and other general overheads expenses. The increase in administrative expenses by 92% or RMB24.3 million from RMB26.4 million in 3Q2016 to RMB50.7 million in 3Q2017, was mainly attributed to higher staff costs and other related staff expenses as a result of higher headcount, as we expanded our business activities for new projects, and also for mid-year staff bonuses, which were not paid last year.

Other operating expenses

Other operating expenses, which mainly comprised of net foreign exchange loss, and loss on disposal of property, plant and equipment, decreased by 95% or RMB7.3 million from RMB7.7 million in 3Q2016 to RMB0.4 million in 3Q2017. Other operating expenses in 3Q2016 was mainly due to net foreign exchange loss of RMB4.8 million.

Net finance costs

Net finance costs were RMB26.6 million in 3Q2017, compared to RMB20.3 million in 3Q2016, an increase of 31% or RMB6.3 million. This was mainly due to finance costs that could not be capitalized in development projects during the current quarter, which includes the interests of loans and unquoted debt securities to the companies that have no projects under construction.

Share of results of joint ventures and associate, net of tax

Share of results of joint ventures and associate, net of tax was a loss of RMB1.7 million in 3Q2017, increased by RMB0.8 million from RMB0.9 million in 3Q2016. The share of results of joint ventures and associate in 3Q2016 was attributed to the loss of the Group's Vivir project in Australia, and the share of results in joint ventures and associate in 3Q2017 was mainly from UCCH, Suzhou Ruixin, Suzhou Xinglun and Shengeng Hongye which were at the project of construction phase.

Income tax expense

Income tax expense comprises of enterprise income tax and land appreciation tax ("LAT"). The Group incurred a tax expense of RMB4.5 million in 3Q2017, as compared to an income tax expense of RMB8.7 million in 3Q2016. The Group's income tax expense decreased mainly due to higher amount of deferred tax assets recognised.

Loss for the period

As a result of the foregoing, the Group reported a loss for the period of RMB35.1 million in 3Q2017, whilst the loss for the period in 3Q2016 was RMB56.6 million.

9M2017 vs 9M2016

Revenue

The Group achieved revenue of RMB1,455.9 million for the period ended 30 September 2017 ("**9M2017**"), an increase of 9% or RMB120.8 million from RMB1,335.1 million in the corresponding period in 2016. This was primarily due to the increase in the number of property units handed over. As a result, the aggregate Gross Floor Area ("**GFA**") sold and recognised increased by approximately 11% or 16,210 square metres ("**sqm**") from 146,383 sqm for the period ended 30 September 2016 ("**9M2016**") to 162,593 sqm for 9M2017, while the average selling price ("**ASP**") decreased by 2% from RMB 8,927 per sqm in 9M2016 to RMB 8,726 per sqm in 9M2017. The revenue recognised was mainly attributed to the Xuzhou Royal Palace, which contributed RMB650.0 million, or approximately 46% of the total revenue generated for 9M2017. In addition, Shanghai Royal Palace and Suzhou Industrial Park Royal Mansion which contributed RMB242.7 million and RMB214.9 million respectively, or 17% and 15% of the total revenue, respectively. The decrease in ASP was mainly due to the sales of Xuzhou Royal Palace in 9M2017 with lower selling price as the development property was located in a Tier-3 city.

The Group also achieved strong pre-sales for 9M2017, with GFA of approximately 341,937 sqm and an aggregate consideration of approximately RMB5,617.5 million for the development properties projects in the People's Republic of China ("PRC"). This represents an increase of 17% in GFA, or 48,523 sqm from 293,414 sqm, and an increase of 97% in aggregate consideration, or RMB2,764.8 million from RMB 2,852.7 million, from 9M2016. In this period, Nanjing Chiway and Suzhou Chiway Shangcheng, and other projects located in Suzhou which are located in second tier cities, achieved a good pre-sales results, approximately 21% and 56% of the total consideration. The ASP of pre-sales increased from RMB9,722 per sqm in 9M2016 to RMB16,429 per sqm in 9M2017.

The Group also presold four of its property development projects in Australia. During 9M2017, 148 units from these property development projects – Illumina, Uptown, Elan and Steller were pre-sold and 3 units from Vivir were sold with an aggregate consideration of AUD121.9 million (or RMB 634.6million).

Total pre-sales from both China and Australia reached RMB6,252.1 million, as at end of 9M2017.

Cost of sales and gross profit margin

Despite the 9% increase in revenue, the Group's cost of sales, which comprises mainly of land acquisition costs, construction costs, capitalized borrowing costs and indirect costs, increased marginally by 1% or RMB9.6 million from RMB1,187.5 million in 9M2016 to RMB1,197.1 million in 9M2017.

Gross profit increased by 75% or RMB111.3 million, from RMB147.5million in 9M2016 to RMB258.8 million in 9M2017, due to the increase in gross profit margin. Overall gross profit margin increased from 11.1% in 9M2016 to 17.8% in 9M2017. This was mainly due to higher revenue contribution from the Suzhou Industrial Park Royal Mansion, which has a higher gross profit compared to the projects of last year.

Other income

Other income, which mainly comprised of gain on disposal of financial assets available-for-sale, foreign exchange gain and gain on disposal of property, plant and equipment, increased by 438% or RMB17.7 million from RMB4.1 million in 9M2016 to RMB21.8 million in 9M2017. The increase was mainly due to foreign exchange gain of RMB16.6 million.

Selling and distribution expenses

Selling and distribution expenses comprised of primarily advertising and promotion expenses, sales commissions, sales offices rental expenses and maintenance costs. Selling and distribution expenses increased by 39% or RMB33.1 million from RMB84.5 million in 9M2016 to RMB117.6 million in 9M2017. This was due mainly to the increase in expenditure on sales and marketing activities for new projects.

Administrative expenses

Administrative expenses comprised of salaries and staff related expenses for general administrative staff, utilities expenses, telecommunication expenses, entertainment expenses, professional fees, travelling expenses and other general overheads expenses. The increase in administrative expenses by 34% or RMB34.3 million from RMB99.6 million in 9M2016 to RMB133.9 million in 9M2017, was attributable mainly to higher staff costs and bonus and other related expenses due to higher headcount, which was in line with the increase in business activities for new projects.

Other operating expenses

Other operating expenses which mainly comprised of net foreign exchange loss, loss on disposal of property, plant and equipment, and donations, decreased by 77% or RMB6.5 million from RMB8.4 million in 9M2016 to RMB1.9 million in 9M2017. The increase was mainly due to net foreign exchange loss of RMB6.2 million, and donation of RMB1.0 million.

Net finance costs

Net finance costs were RMB74.6 million in 9M2017, compared to of RMB46.3 million in 9M2016. This was mainly due to finance costs that could not be capitalised in development projects during the current period, which include the interests of loans and unquoted debt securities to the companies that have no projects under construction.

Share of results of joint ventures and associate, net of tax

Share of results of joint ventures and associate, net of tax was a loss of RMB4.1 million in 9M2017, as compared to profit of RMB6.2 in 9M2016. The share of results of joint ventures and associate in

9M2016 was attributed to the handover of the Group's Vivir project in Australia, while the share of results of joint ventures and associate in 9M2017 was mainly from UCCH, Suzhou Ruixin, Suzhou Xinglun and Shengeng Hongye which were at the beginning of construction.

Income tax expense

Income tax expense comprises of enterprise income tax and land appreciation tax ("LAT"). The Group incurred a tax expense of RMB28.5 million in 9M2017 as compared to an income tax credit of RMB33.2 million in 9M2016. The Group's income tax expense decreased mainly due to higher amount of deferred tax assets recognised.

Loss for the period

As a result of the foregoing, the Group reported a loss for the period of RMB80.0 million in 9M2017, while the loss for the period in 9M2016 was RMB114.2 million.

Statement of Financial Position

Non-current Assets

Non-current assets comprised of property, plant and equipment, investment properties, interest in joint ventures and associate, financial assets, deferred tax assets and other receivables. As at 30 September 2017, non-current assets amounted to RMB1,928.7 million as compared to RMB1,596.6 million as at 31 December 2016.

The increase in non-current assets of RMB332.1million was due mainly to:

(i) increase in joint ventures from RMB98.8 million as at 31 December 2016 to RMB296.9 million as at 30 September 2017 mainly due to the purchase of Suzhou Xinglun;

(ii) increase in investment properties of RMB118.9 due to new construction costs incurred for investment properties under development;

(iii) increase in deferred tax assets of RMB22.3 due to the deductible temporary differences recognised; and

(iv) partially offset by the decrease in other receivables of RMB8.9 million.

Current Assets

Current assets increased by RMB5,219.8 million from RMB13.72 billion as at 31 December 2016 to RMB18.94 billion as at 30 September 2017 due mainly to:

(i) increase in development properties of RMB5,198.0 million largely due to new construction costs incurred for the Group's development properties;

(ii) increase in cash and cash equivalents of RMB918.4 million; and

(iii) offset by a decrease in trade receivables, other receivables and advance payments of RMB902.2 million mainly due to advance payments made to suppliers utilized in the current period.

Contract work-in-progress refers to a contract that the Group has entered into with the Suzhou Municipal Government to develop an education park, with an approximate land area of 3,500,000 sqm, on behalf of the local government. The construction costs incurred were funded by advances from the Suzhou Municipal Government.

Contract work-in-progress is stated at construction costs incurred on behalf of the Suzhou Municipal Government. It is not intended for the Group to derive a profit from the development of the education park.

Non-current liabilities

As at 30 September 2017, non-current liabilities were RMB4,925.2 million as compared to RMB5,738.4 million as at 31 December 2016. The decrease in non-current liabilities of RMB813.2 million was mainly due to the net increase in loans and borrowings of RMB1,123.4 million, less RMB1,936.7 which were reclassified into current liabilities as their repayment due date is less than a year.

Current liabilities

Current liabilities as at 30 September 2017 amounted to RMB14,742.0 million as compared to RMB8,091.4 million as at 31 December 2016. The increase in current liabilities of RMB6,650.5 million was mainly due to the increase in loans and borrowings of RMB1,936.7 million reclassified from non-current liabilities as their repayment due date is less than a year, and the increase in advance receipts of RMB4,062.3 million due to the increase of proceeds from on-going projects.

Advance receipts from government amounted to RMB442.5 million as at 31 September 2017 and RMB439.9 million as at 31 December 2016. The amount was provided by the government to fund the contract work-in-progress as aforementioned in the paragraph above entitled “Current assets”.

Total equity

As at 30 September 2017, total equity was RMB1.20 billion as compared to RMB1.49 billion as at 31 December 2016. Please refer to the section 1(d)(i) for the movement of total equity as presented in the statement of changes in equity.

Cash Flow Statement

3Q2017 vs 3Q2016

During 3Q2016, the Group had a net cash inflow from operating activities of RMB930.4 million comprising operating cash outflows before movements in working capital of RMB7.4 million, net working capital inflows of RMB1,004.2 million and income tax payment of RMB66.4 million. The net working capital inflows were mainly due to the increase in trade receivables, receivables and advance payments of RMB4,797.5 million, partially offset by increase in trade payables, other payables and advance receipts of RMB4,751.0 million.

The Group recorded a net cash outflow from investing activities of RMB445.0 million mainly due to an increase of RMB181.6 million due from joint ventures, investment in financial assets of RMB59.0 million, development expenditure on investment properties of RMB71.6 million, acquisition in subsidiary of RMB59.9 million, and an increase of RMB67.5 million due from non-controlling interests.

The Group recorded a net cash outflow from financing activities of RMB75.6 million during 3Q2017. This was mainly due to the net proceeds of borrowings of RMB919.4 million, and the increase in restricted cash of RMB864.6 million, and interest paid of RMB153.0 million.

Overall, the Group's cash and cash equivalents increased by RMB409.8 million during 3Q2017, from RMB845.3 million in 1H2017 to RMB1,256.1 million in 3Q2017, net of effect of exchange rate changes on cash held.

9M2017 vs 9M2016

During 9M2017, the Group had a net cash inflow from operating activities of RMB1,124.8 million comprising operating cash inflows before movements in working capital of RMB9.0 million, net working capital inflows of RMB1,430.4 million and income tax payment of RMB314.6 million. The net working capital inflows were mainly due to the increase in trade receivables, other receivables and advance payments of RMB6,743.3 million, partially offset by an increase in trade payables, other payables and advance receipts of RMB2,286.2 million and increase in development properties by RMB3,025.1 million.

The Group recorded a net cash inflow from investing activities of RMB741.9 million mainly due to an increase of RMB404.1 million due from joint ventures, investment in financial assets of RMB59.0 million, development expenditure on investment properties of RMB118.9 million, acquisition in subsidiary of RMB144.2 million, and investment in joint ventures of RMB199.8 million.

The Group recorded a net cash outflow from financing activities of RMB752.7 million during 9M2017. This was mainly due to the net proceeds of borrowings of RMB1,121.7 million, offset by the increase in restricted cash of RMB1,284.6 million, and interest paid of RMB489.7 million.

Overall, the Group's cash and cash equivalents has decreased RMB369.7 million during 9M2017, from RMB1,622.4 million in 12M2016 to RMB1,256.1 million in 9M2017, net of effect of exchange rate changes on cash held.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, the issuer must explain any variance between the forecast or prospect statement and the actual results.

No forecast or prospect statement was previously disclosed to shareholders.

10. A commentary at the date of this announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

In China, the cooling measures introduced last year, has caused structural changes in the real estate market, with numerous price and funding control measures put in place, and a perceptible shift in market demand to the lower-tier towns and cities.

DBS opined that "property bubbles will continue to persist due to the reliance on leveraging the property market to support growth...In the absence of reliable and deep investment alternatives, households remain reliant on property as both a storage of wealth and investment. Forthcoming policies are only meant to slow down the pace of the property market's growth. Authorities will aim to stabilise the price increase rather than allowing a collapse."[1]

Indeed, our own observations are that property prices in the first and second-tier cites, such as Nanjing, Wuhan and Suzhou amongst others, are beginning to stabilize after a series of cooling measures. Price increases in such cities are expected to slow down as demand continues to be supported by higher net urban immigration supported by a dynamic economy and ongoing reforms in the rural agricultural sectors.

The Group is progressing beyond cities with mature growth to tap on others that continue to yield fair returns and remains optimistic of its prospects in these growth cities. It has since acquired seven land parcels - six in Jiangsu province and one in Anhui province, all in tier-3 cities.

For 4Q2017, the Group plans to launch two new projects in Suzhou and one in Wuhan by the end of FY2017. The three projects slated for launch by the end of the year have a total gross floor area of more than 270,000 sqm with an approximate GDV of RMB5.98 billion. In the same period, the Group plans to deliver two major projects – Suzhou Industrial Park Royal Mansion (Phase 2) and Xuancheng Chiway Top Town (Phase 3, District C) in 4Q2017. These projects are well received by the market, which has both sold more than 80%.

The Group's property projects in Australia are on track with the Group set to deliver two of its projects – Illumina and Elan in the first half of next year. Stellar, on the other hand, is expected to be deliver in the first quarter of FY2019.

The Group has extended its financial year end to June 2018 for a total of six quarters from 1 January 2017 to 30 June 2018. The change will enable us to improve the accuracy of our reported taxes and better plan our audit schedule with our auditors, enabling greater administrative efficiency and cost savings.

The Group continues to actively look out for opportunities to generate higher recurrent income to provide earnings stability. This includes increasing its investment properties and asset management which will provide higher rental and management fees. In particular, the Group will seek to unlock greater shareholder value by leveraging on its strengths in the education field, where it has existing international schools via its sister company and good knowledge of the industry globally.

[1] "Eight predictions from the 19th NPC", DBS Group Research, 02 November 2017

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Nil

(b) Corresponding Period of the immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Nil

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared or recommended.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have any existing general mandate from shareholders for IPTs pursuant to Rule 920(1)(a)(ii) of the Listing Manual.

14. Additional disclosure

As stated in the Circular dated 10 June 2014, additional disclosure in relation to the trust financing arrangements of the Group are as follows:

(a) the aggregate trust financing obligations in the same format as presented in Section 2.9.8 entitled "Capitalisation and Indebtedness" of the Circular;

RMB'000	**As at 30 September 2017**	**Adjusted as at 30 September 2017**	**Adjusted as at 31 October 2017**
Cash and cash equivalents	2,945,785	2,945,785	
Current Indebtedness			
Secured			
Borrowings (guaranteed)	3,879,455	3,879,455	3,579,455 (1)(2)
Borrowings (non-guaranteed)	-	-	-
Unsecured			
Borrowings(guaranteed)	533,682	533,682	512,752(3)

RMB'000	As at 30 September 2017	Adjusted as at 30 September 2017	Adjusted as at 31 October 2017
Borrowings (non-guaranteed)	25,000	25,000	75,000[4]
Non-current Indebtedness			
Secured			
Borrowings (guaranteed)	4,367,972	4,367,972	4,399,372 [5][6][7]
Borrowings(non-guaranteed)	157,000	157,000	157,000
Unsecured			
Borrowings (guaranteed)	282,559	282,559	282,559
Total Indebtedness	9,245,668	9,245,668	9,006,138
Total Shareholders' equity	1,202,031	1,202,031	*
Total Capitalisation and Indebtedness	**10,447,699**	**10,447,699**	*

* Not applicable for disclosure for the period reported on.

Notes:

(1) On 11 October 2017, Xuzhou Chiway repaid RMB100.0 million to Bank of China.

(2) On 23 October 2017, Wuhan Chiway repaid RMB200.0 million to China Bohai Bank.

(3) On 30 October 2017 and on 31 October 2017, SCGL repaid RMB18.13 million and RMB2.8 million respectively to investees of Fund Projects.

(4) On 31 October 2017, SCGL, Chiway Holding Group and China Bohai Bank entered into a loan agreement, pursuant to which, Chiway Holding Group entrusted China Bohai Bank to provide an aggregate loan facility of RMB85 million to SCGL for a period of eighteen (12) months at an interest rate of 11%. As at 31 October 2017, RMB35 million remained outstanding.

(5) On 10 October 2017, Suzhou Gaoxin Chiway borrowed RMB50 million from Bank of China.

(6) On 25 October 2017, Zhangjiagang Chiway Wanhong borrowed RMB20 million from Industrial and Commercial Bank of China.

(7) On 27 October 2017, Xuzhou Xingshang repaid RMB30.0 million to Bank of China.

RMB'000	Adjusted as at 30 September 2017	Adjusted as at 31 October 2017
Total trust financing indebtedness	**578,000**	**578,000**
Total Indebtedness	**9,245,668**	**9,006,138**
Trust financing as a percentage of total Indebtedness	**6.3%**	**6.4%**

(b) the progress of the Enlarged Group in reducing the amount of its trust financing as a percentage of its total indebtedness to less than 20.0% within 12 months from the Completion Date;

Not applicable. The trust financing as a percentage of its total indebtedness is less than 20% as at 30 September 2017 and 31 October 2017. Please see Notes (b) 1-3.

Notes:

(1) Two loans of RMB 1,900 million (see details below), were taken from banks but structured through trust company. These debts are (a) classified / (b) re-classified as Bank development debts by the management, in consultation with our lawyers and auditors, and concurred by the Board's Audit and Risk Management Committee.

a) On 5 July 2017, one of the Company's subsidiaries, Wuxi Huake and Western Trust entered into a financing agreement, for an aggregate funding of RMB1,500 million. The funds were provided by Bohai Bank, with Western Trust as an intermediary.

b) In 1Q2017, Wuhan Chiway entered into a financing agreement with Western Trust amounting for RMB400 million. These funds were provided by Bohai Bank, with Western Trust as an intermediary.

(2) For purpose of prudence and disclosure, on the basis that if these debts were classified as Type 1 trust financing, the forgoing table will be presented as follows:

RMB'000	Adjusted as at 30 September 2017	Adjusted as at 31 October 2017
Total trust financing indebtedness	**2,478,000**	**2,478,000**
Total Indebtedness	**9,245,668**	**9,006,138**
Trust financing as a percentage of total Indebtedness	**26.8%**	**27.5%**

While the trust financing as a percentage of its total indebtedness is more than 20%, the Board's Audit and Risk Management Committee has noted it and agreed that these were due to expansion of our business scale and sales (including pre-sales). This is accordingly allowed as stated on page A-249 of the RTO Circular, in Appendix A sub para (d), where the continued growth trajectory and prospects of the Group may be presented as justification for trust financing agreements.

(c) diagrammatic illustrations of the structure of the Enlarged Group's trust financing arrangements;

There is no outstanding Type 2 trust financing arrangement as at the date of this announcement. Please refer to the Company's circular dated 10 June 2014 for details of the two (2) Type 2 trust financing arrangements which were fully repaid as at the date of this announcement.

(d) the relevant exit mechanisms for the Enlarged Group's trust financing arrangements;

There is no outstanding Type 2 trust financing arrangement as at the date of this announcement. The details of the exit mechanism for the two (2) Type 2 trust financing agreements entered into by the Group (which were fully repaid as at the date of this announcement) are set out on Page A-213, A-214 and A- 220 of the Company's circular dated 10 June 2014.

15. Confirmation of undertakings from directors and executive officers pursuant to Rule 720(1) of the listing manual of SGX-ST (the "Listing Manual")

The Company has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Confirmation by the Board

We, the undersigned, being Director of Chiwayland International Limited, do hereby confirm, on behalf of the Board of Directors of Chiwayland International Limited that, to the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the results for the third quarter and nine months ended 30 September 2016 of Chiwayland International Limited and its subsidiaries, to be false or misleading in any material respect.

On behalf of the Board of Directors

Qian Jianrong
Executive Chairman

Chua Hwee Song
Executive Director

13 November 2017