

Chiwayland announces 2Q2016 results, with sights set on international markets and other growth engines

- **On track for the delivery of two major property developments by 4Q2016**
- **Barring unforeseen circumstances, the Group expects to achieve profitability for FY2016**
- **Steady progress in its internationalisation efforts with overseas ventures, proposed name change and reconstitution of Board**
- **Seeks new growth engines with a focus in education**

SINGAPORE, 5 August 2016 – SGX Mainboard-listed **Chiwayland International Limited**, together with its subsidiaries (**“Chiwayland” or the “Group”**), announced today its financial results for the three-month period ended June 30, 2016 (**“2Q2016”**).

The international property developer reported a 47.2% year-on-year (“yoy”) decline in revenue to RMB398.7 million as there was no major projects handover scheduled for 2Q2016. Revenue this quarter were from sales of existing unsold inventories. A total Gross Floor Area (“GFA”) of 65,520 square metres (“sqm”) was sold and recognised in 2Q 2016, representing a 13.6% yoy decrease. A significant portion of the sales were from the Suzhou Hetai project, an affordable housing project. The balance of Suzhou Hetai, as per the terms of the affordable housing programme, were all repurchased by the local municipal government by July 2016. The lower Average Selling Price (“ASP”) of the Suzhou Hetai project resulted in a sharp 38% ASP decline yoy to RMB5,971. However, gross profit margin increased from 4.7% in 2Q2015 to 10.1% in 2Q2016, due to higher margin contribution from the sales of shops in Suzhou Royal Palace. With the completion of the Group’s participation in the affordable housing programme, which started in 2009, the Group looks forward to better ASP and margin for its future projects.

The Group’s net losses of RMB42.5 million for 2Q2016 were also driven by a 57.2% yoy surge in selling and distribution expenses to RMB31.2 million due to greater expenditure on

sales and marketing activities for new projects. There are nine new launches in the pipeline for 2H2016 – four in Suzhou, one in Nanjing, two in Xuzhou, and two in Sydney – with a total GFA of approximately 400,000m. The losses were also attributed to higher administrative expenses which increased 4.6% to RMB30.7 million in 2Q2016 due to higher headcount. This is in line with the increase in business activities for new projects.

Despite the decline in revenue, the Group recorded strong pre-sales for 2Q2016 from its ongoing projects in both China and Australia. Pre-sales GFA for its China projects, which were mainly from Suzhou Industrial Park Royal Mansion (Phase 2), Suzhou Royal Palace (Phase 3) and Xuzhou Royal Palace-Block C (Phase 2), increased 21.0% yoy to approximately 120,000 sqm with RMB1.1 billion in pre-sales collections. In addition, 30 units from its three property development projects in Australia – Illumina, Marine's Hill and Uptown, were pre-sold with presales collections of AUD18.6 million. This has boosted our presales advanced receipts to RMB4,364.0 million.

Overall, the Group generated positive operating cash flow of RMB611.31 million, and cash and cash equivalents as at 30 June 2016 stood at RMB2.24 billion, an increase of RMB571.8 million over 1Q2016.

Commenting on the results, **Mr Chua Hwee Song, the Group's Chief Financial Officer and Executive Director** said, "Our results this quarter is largely reflective of our performance over the past two years, where we delivered more than 1 million sqm of properties to our customers. However, our financial performance was saddled with low margins and low profitability with an average ASP of RMB5,673. Many of such projects are now behind us, with the exception of the last phase of Xuancheng Chiway Top Town to be completed next year, and the balance of the land bank we have in Xuzhou. However, both projects are selling well, especially in Xuzhou, where we have consistently maintained our position as one of the top developers over the last few quarters.

Going forward, future projects due for completion or to be launched, will offer better margins and will positively impact our bottom-line earnings as early as 4Q2016. The Group will deliver two major projects – The Suzhou Industrial Park Royal Mansion (Phase 1) and Suzhou Royal Palace (Phase 3) in 4Q2016. These projects are well received by the market, both sold above 90%. In view of the handover of these two projects by year-end, we are confident of achieving profitability for FY2016, barring any unforeseen circumstances.”

On the Group’s prospects, **Mr. Qian Jianrong, Executive Chairman and CEO of Chiwayland** remarked:

“The Group is at a key inflexion point as we cross mid-year 2016.

Our internationalisation effort is making good progress. We delivered our first project in Australia in 1H2016, which very importantly marked the first recycling of our invested capital in Australia. Next year, we will deliver three more projects, which are selling well. Our Australian unit can now be considered an independent entity and a truly localised developer, as we have enough scale in terms of the number and size of projects. Our other major international effort in the U.S. has also resulted in our first project in LA, and we have a strong pipeline of deals which we are actively pursuing for which we will announce the details in due course.

Within China, our focus on the growth cities is yielding good results, with a strong suite of projects in cities such as Suzhou, Nanjing and Wuhan to be launched in 2H2016 onwards. While the market is very competitive with rising prices at land tenders, we have kept our discipline and played to our strengths. We will continue to seek out more projects within China, to deploy our funds and tap on our strong ability to access capital.

With the twin engines of growth from Australia and China, we expect them to translate into good results for the Group in the next two to three years as we deliver on our projects.

However, we will not rest on our laurels. In addition to sustaining our internationalisation effort, we will continue to seek out other growth engines, such as opportunities in investment properties and asset management to build a base of recurring income through rental and management fees. In particular, we will explore opportunities that will allow us to leverage on our strengths in the education field, where we have existing international schools via our sister company and good knowledge of the industry.”

The Group has proposed a name change to CWG International Ltd. to reflect its more international stature, subject to shareholders’ approval. More recently in July 2016, the Board was also reconstituted following the appointment of notable individuals such as Mr. Thio Shen Yi and Mr. Lai Huen Poh as Independent Directors. Mr. Thio is a founding partner of TSMP Law Corporation and the president of the Law Society of Singapore, while Mr. Lai is the Managing Director of RSP Architects Planners & Engineering.

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ABOUT CHIWAYLAND INTERNATIONAL LIMITED

LIMITED STOCK CODES – SGX: ACW | BLOOMBERG: CHW SP | REUTERS: CHIW.SI

Established in 2002, Chiwayland International Limited, together with its subsidiaries (“Chiwayland” or the “Group”), an international property developer providing premier living solutions, was listed on the SGX Mainboard in 2014. The Group’s businesses cover real estate investment and development, township planning and project management.

Chiwayland has a stellar track record in developing quality residential and commercial properties in various geographies that straddles China, Australia and the U.S. Its portfolio, mostly in prime locations, also comprises office buildings and education hubs.

In 2014, the Group embarked on its internationalisation strategy and expanded to Australia. The Group currently has two projects in Brisbane and five in Sydney with a focus on residential and commercial properties. The projects have seen strong pre-sales activities and the Group successfully handed over its first project, Brisbane’s Vivir in 1Q2016. Its

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largest Australia's residential project, Parramatta in Sydney, with a total GFA of 32,545 square metres, is also on track for completion in 2019.

In 2016, Chiwayland marked its maiden foray into the U.S. market with a mixed development project in Los Angeles, California – Urban Commons, LLC, comprising retail, hotel and residential units. The Group continues to internationalise with planned expansion in North America, Western Europe and Asia, subject to an EGM to be convened. Going forward, the Group has earmarked revenue contribution from overseas projects to be at least 50% within the next five years.

In China, the Group's properties span across the heart of the Yangtze River Delta Region, including Shanghai, Suzhou and Nanjing. To date, the Group has completed 11 property developments with an aggregate total GFA exceeding 2.0 million square metres, and is ranked as one of the Top 100 Real Estate Development Enterprise.

For the Group's investment property holdings, it owns commercial, retail space and educational facilities. The Group intends to grow the recurring income segment of its business to be a significant contributor and provide a stable base for its performance over the longer term. For more information, please visit the company website at www.chiwayland.com.

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