

***FOREWORD: This set of results announcement (4<sup>th</sup> quarter of financial period and full year ended 31 December 2014) consists of the enlarged group's results.***

**CHIWAYLAND INTERNATIONAL LIMITED**  
**(Company Reg. No. 200610437K )**

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FOURTH QUARTER  
AND FINANCIAL YEAR ENDED 31 DECEMBER 2014**

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

Chiwayland International Limited (FORMERLY KNOWN AS R H ENERGY LTD.) (the “Company” and together with its subsidiaries, the “Group”) had on 5 August 2014 completed its acquisition of Chiwayland Group (Singapore) Pte. Ltd. and its subsidiaries (“Chiwayland Singapore Group”) via a Reverse Take Over (“RTO”) exercise (“Acquisition”).

The Acquisition has been accounted for as a RTO in accordance with FRS 103, and the legal subsidiary, Chiwayland Singapore Group is regarded as the acquirer and the Company as the acquiree, for accounting purposes. The consolidated financial statements have been prepared and presented as a continuation of Chiwayland Singapore Group’s financial statements. Accordingly, the unaudited consolidated financial statements for the fourth quarter and the financial year ended 31 December 2014 comprise the financial statements of Chiwayland International Limited and the consolidated financial statements of Chiwayland Singapore Group. The comparative figures presented in these unaudited consolidated financial statements are that of the audited consolidated financial statements of Chiwayland Singapore Group for the fourth quarter and the financial year ended 31 December 2013.

Notes:

- The Group’s consolidated income statement for the financial year ended 31 December 2014 refers to the Enlarged Group which consists of the results of Chiwayland Singapore Group for the financial year ended 31 December 2014 and results of Chiwayland International Limited for the financial period from 6 August 2014 to 31 December 2014. The Group’s consolidated income statement for the 3 months ended 31 December 2014 refers to the Enlarged Group which consists of the results of Chiwayland Singapore Group and Chiwayland International Limited for the 3 months ended 31 December 2014.
- The Group’s consolidated income statements for the financial year ended 31 December 2013 and the 3 months ended 31 December 2013 comprises the results of Chiwayland Singapore Group for the respective periods.
- The Group’s consolidated balance sheet as at 31 December 2014 refers to the Enlarged Group which consists of the assets and liabilities of Chiwayland Singapore Group and Chiwayland International Limited as at 31 December 2014.
- The Group’s consolidated balance sheet as at 31 December 2013 refers to the balance sheet of Chiwayland Singapore Group.
- The Group’s consolidated cash flow statements for the financial year ended 31 December 2014 refers to the Enlarged Group which consists of the cash flows of Chiwayland Singapore Group for the financial year ended 31 December 2014 and Chiwayland International Limited for the period from 6 August 2014 to 31 December 2014. The Group’s consolidated cash flow statement for the 3 months ended 31 December 2014 refers to the Enlarged Group which consists of the cash flows of Chiwayland Singapore Group and Chiwayland International Limited for the 3 months ended 31 December 2014.
- The Group’s consolidated cash flow statements for the financial year ended 31 December 2013 and 3 months ended 31 December 2013 comprised the cash flows of Chiwayland Singapore Group for the respective periods.
- The Company’s balance sheet as at 31 December 2014 and 31 December 2013 refers to that of Chiwayland International Limited (formerly known as R H Energy Ltd). Subsequent to the completion of the RTO, the presentation currency of Chiwayland International Limited was changed from US dollars to Renminbi based on the exchange rate prevailing at the date of completion of the RTO exercise (5 August 2014).

**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		
	4Q 2014	4Q 2013	%	12M 2014	12M 2013	%
	RMB'000	RMB'000	Change + / (-)	RMB'000	RMB'000	Change + / (-)
Revenue	947,278	840,769	13%	2,213,971	1,638,461	35%
Cost of sales	(910,476)	(739,961)	23%	(2,029,260)	(1,439,282)	41%
<b>Gross profit</b>	<b>36,802</b>	<b>100,808</b>	<b>-63%</b>	<b>184,711</b>	<b>199,179</b>	<b>-7%</b>
Other income	181,094	42,060	331%	221,858	80,300	176%
Selling and distribution expenses	(25,093)	(19,563)	28%	(64,545)	(49,028)	32%
Administrative expenses	(30,178)	(18,648)	62%	(84,888)	(64,577)	31%
Other operating expenses	(703)	(445)	58%	(1,209)	(2,021)	-40%
Non-operating expenses	-	-	-	(105,594)	-	100%
<b>Results from operating activities</b>	<b>161,922</b>	<b>104,212</b>	<b>55%</b>	<b>150,333</b>	<b>163,853</b>	<b>-8%</b>
Net finance costs	(12,302)	(4,317)	185%	(16,085)	(15,517)	4%
Share of results of joint ventures, net of tax	73	14,629	-99%	(9,570)	14,095	nm
<b>Profit before income tax from continuing operations</b>	<b>149,693</b>	<b>114,524</b>	<b>31%</b>	<b>124,678</b>	<b>162,431</b>	<b>-23%</b>
Income tax expense	(47,049)	(34,921)	35%	(75,182)	(44,747)	68%
<b>Profit for the period/year from continuing operations</b>	<b>102,644</b>	<b>79,603</b>	<b>29%</b>	<b>49,496</b>	<b>117,684</b>	<b>-58%</b>
<b>Discontinued operation</b>						
Loss from discontinued operation, net of tax	-	-	-	(1,681)	-	100%
<b>Profit for the period/year</b>	<b>102,644</b>	<b>79,603</b>	<b>29%</b>	<b>47,815</b>	<b>117,684</b>	<b>-59%</b>

	GROUP			GROUP		
	4Q 2014	4Q 2013	%	12M 2014	12M 2013	%
	RMB'000	RMB'000	Change + / (-)	RMB'000	RMB'000	Change + / (-)
<b>Profit for the period/year</b>	<b>102,644</b>	<b>79,603</b>	<b>29%</b>	<b>47,815</b>	<b>117,684</b>	<b>-59%</b>
<b>Other comprehensive loss</b>						
<b>Items that are or may be reclassified subsequently to profit or loss:</b>						
Foreign currency translation differences	(114,929)	-	100%	(114,929)	-	100%
<b>Total other comprehensive loss for the period/year</b>	<b>(114,929)</b>	<b>-</b>	<b>100%</b>	<b>(114,929)</b>	<b>-</b>	<b>100%</b>
<b>Total comprehensive (loss)/income for the period/year</b>	<b>(12,285)</b>	<b>79,603</b>	<b>nm</b>	<b>(67,114)</b>	<b>117,684</b>	<b>nm</b>
<b>Profit attributable to:</b>						
Owners of the Company	63,129	78,740	nm	9,648	108,974	nm
Non-controlling interests	39,515	863	4479%	38,167	8,710	338%
<b>Profit for the period/year</b>	<b>102,644</b>	<b>79,603</b>	<b>29%</b>	<b>47,815</b>	<b>117,684</b>	<b>-59%</b>
<b>Total comprehensive (loss)/income attributable to:</b>						
Owners of the Company	(51,800)	78,740	nm	(105,281)	108,974	nm
Non-controlling interests	39,515	863	4479%	38,167	8,710	338%
<b>Total comprehensive (loss)/income for the period/year</b>	<b>(12,285)</b>	<b>79,603</b>	<b>nm</b>	<b>(67,114)</b>	<b>117,684</b>	<b>nm</b>

Note:

nm: denotes not meaningful

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

**Profit before taxation is stated after charging/ (crediting):**

	Group		Group	
	4Q 2014 RMB'000	4Q 2013 RMB'000	12M 2014 RMB'000	12M 2013 RMB'000
Depreciation of property, plant and equipment	287	423	1,994	2,038
Finance income	(5,229)	(3,031)	(11,087)	(9,307)
Finance costs	17,531	7,348	27,172	24,824
Foreign exchange loss/(gain)	1,018	(6)	919	(153)
Change in fair value of investment properties	(180,024)	(47,617)	(180,024)	(47,617)
Allowance for impairment loss on financial assets	2,250	-	2,250	-
Write down of completed properties held for sale	56,195	-	56,195	-
Gain on disposal of subsidiaries included in other income	-	-	-	(23,868)
Gain on disposal of interests in joint ventures	-	-	(35,634)	-
Gain on disposal of financial assets	-	(4,996)	-	(5,580)
Change in fair value of financial assets	122	-	122	-
(Gain)/Loss on disposal of property, plant and equipment	(441)	74	(553)	22
Included in non-operating expenses:				
Loss on disposal of subsidiaries	-	11,022	12,903	-
RTO costs arising from the reverse acquisition exercise	-	-	51,073	-
Professional fees paid in shares	-	-	41,618	-

**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.**

	<b>Group</b>		<b>Company</b>	
	<b>31-Dec-2014</b>	<b>31-Dec-2013</b>	<b>31-Dec -2014</b>	<b>31-Dec-2013</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Assets</b>				
Property, plant and equipment	7,831	4,415	6	12
Investment properties	807,800	440,800	-	-
Interests in subsidiaries	-	-	1,393,759	116,448
Interests in joint ventures	24,410	133,948	-	-
Deferred tax assets	51,538	38,171	-	-
<b>Non-current assets</b>	<b>891,579</b>	<b>617,334</b>	<b>1,393,765</b>	<b>116,460</b>
Development properties				
- Properties under development	5,137,739	4,010,830	-	-
- Completed properties held for sale	1,574,306	503,832	-	-
Contract work-in-progress <sup>(1)</sup>	381,301	380,651	-	-
Financial assets	258,519	391	-	49
Trade receivables, other receivables and advance payments	770,475	1,684,576	64,841	82,233
Cash and cash equivalents	1,131,274	568,279	149,099	321
<b>Current assets</b>	<b>9,253,614</b>	<b>7,148,559</b>	<b>213,940</b>	<b>82,603</b>
<b>Total assets</b>	<b>10,145,193</b>	<b>7,765,893</b>	<b>1,607,705</b>	<b>199,063</b>
<b>Equity</b>				
Share capital	442,358	- *	1,726,053	137,826
Reserves	187,896	296,330	(118,989)	60,219
<b>Equity attributable to owners of the Company</b>	<b>630,254</b>	<b>296,330</b>	<b>1,607,064</b>	<b>198,045</b>
Non-controlling interests	404,148	285,166	-	-
<b>Total equity</b>	<b>1,034,402</b>	<b>581,496</b>	<b>1,607,064</b>	<b>198,045</b>
<b>Liabilities</b>				
Loans and borrowings	2,676,066	1,340,674	-	-
Deferred tax liabilities	87,778	48,229	-	-
<b>Non-current liabilities</b>	<b>2,763,844</b>	<b>1,388,903</b>	<b>-</b>	<b>-</b>
Loans and borrowings	1,227,000	533,400	-	-
Trade payables, other payables and advance receipts	4,591,129	4,741,036	641	1,018
Advance receipts from government <sup>(1)</sup>	439,853	439,853	-	-
Dividends payable	15,000	15,000	-	-
Tax payable	73,965	66,205	-	-
<b>Current liabilities</b>	<b>6,346,947</b>	<b>5,795,494</b>	<b>641</b>	<b>1,018</b>
<b>Total liabilities</b>	<b>9,110,791</b>	<b>7,184,397</b>	<b>641</b>	<b>1,018</b>
<b>Total equity and liabilities</b>	<b>10,145,193</b>	<b>7,765,893</b>	<b>1,607,705</b>	<b>199,063</b>

\* Amount below RMB1,000

**Note:**

(1) Please refer to section 8 for more information.

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.****Amount repayable in one year or less, or on demand**

As at 31 December 2014		As at 31 December 2013	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
1,105,000	122,000	423,400	110,000

**Amount repayable after one year**

As at 31 December 2014		As at 31 December 2013	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
2,676,066	-	1,125,674	215,000

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

- (i) the Group's properties, investment properties and development properties;
- (ii) corporate guarantee provided by Chiway Holding Group Co. Ltd., a company in which Mr Qian Jianrong, a director of the Company, has substantial financial interests; and
- (iii) a personal guarantee provided by Mr. Qian Jianrong.

**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	
	4Q 2014	4Q 2013	12M 2014	12M 2013
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Cash flows from operating activities</b>				
Profit for the period/year	102,644	79,603	47,815	117,684
Adjustments for:				
Depreciation of property, plant and equipment	287	423	1,994	2,038
Gain on disposal of financial assets held for trading	-	(4,996)	-	(5,580)
Change in fair value of investment properties	(180,024)	(47,617)	(180,024)	(47,617)
Loss/(Gain) on disposal of subsidiaries	-	11,022	12,903	(23,868)
Gain on disposal of interests in joint ventures	-	-	(35,634)	-
RTO costs arising from the reverse acquisition exercise	-	-	51,073	-
Professional fees paid in shares	-	-	41,618	-
(Gain)/Loss on disposal of property, plant and equipment	(441)	74	(553)	22
Write down of completed properties held for sale	56,195	-	56,195	-
Allowance for impairment loss on investment in financial asset	2,250	-	2,250	-
Change in fair value of financial assets	122	-	122	-
Net finance costs	12,302	4,317	16,085	15,517
Share of results of joint ventures, net of tax	(73)	(14,629)	9,570	(14,095)
Foreign exchange loss/(gain)	1,018	(6)	919	(153)
Income tax expense	47,049	34,921	75,182	44,747
	41,329	63,112	99,515	88,695
Changes in:				
- Development properties	(231,722)	(1,329,102)	(833,444)	(1,839,134)
- Trade receivables, other receivables and advance payments	1,045,430	(857,556)	1,339,522	(1,074,271)
- Trade payables, other payables and advance receipts	(84,801)	1,718,504	(88,687)	1,579,377
- Advance receipts from government	-	8,157	-	8,157
- Contract work-in-progress	-	(2,550)	(650)	(3,331)
- Inventories	(8,915)	-	(8,915)	-
Cash generated from/(used in) operations	761,321	(399,435)	507,341	(1,240,507)
Income tax paid	(14,988)	(12,623)	(49,087)	(118,061)
<b>Net cash generated from/(used in) operating activities</b>	<b>746,333</b>	<b>(412,058)</b>	<b>458,254</b>	<b>(1,358,568)</b>

Group		Group	
4Q 2014	4Q 2013	12M 2014	12M 2013
RMB'000	RMB'000	RMB'000	RMB'000

**Cash flows from investing activities**

Acquisition of financial assets	(250,000)	-	(260,500)	-
Acquisition of property, plant and equipment	(724)	(172)	(2,501)	(4,378)
Acquisition of subsidiary, net of cash acquired	-	-	(90,946)	-
Acquisition of the remaining equity interests in a subsidiary without a change in control	-	(120,500)	2,850	(122,500)
Disposal of subsidiaries, net of cash disposed	40,556	-	145,591	5,266
Disposal of interest in subsidiaries to non-controlling interests without a change in control	-	-	-	50,000
(Increase)/Decrease in amounts due from related corporations, non-trade	1,938	(1,931)	1,938	74,091
Increase in amounts due from non-controlling interests, non-trade	(97,500)	(38,600)	(97,500)	(38,600)
Decrease in amounts due from jointly-controlled entities	49,488	-	41,492	-
Dividends received from joint ventures	-	-	-	15,001
Development expenditure on investment properties	(96,850)	(24,435)	(186,976)	(105,979)
Interest received	5,949	3,031	11,807	9,307
Proceeds from disposal of property, plant and equipment	64	50	152	953
Proceeds from disposal of financial assets	-	3,585	-	225,751
Proceeds from disposal of financial assets available-for-sale	-	-	-	90,704
<b>Net cash (used in)/generated from investing activities</b>	<b>(347,079)</b>	<b>(178,972)</b>	<b>(434,593)</b>	<b>199,616</b>



	<b>Group 4Q 2014 RMB'000</b>	<b>Group 4Q 2013 RMB'000</b>	<b>Group 12M 2014 RMB'000</b>	<b>Group 12M 2013 RMB'000</b>
<b>Cash flows from financing activities</b>				
Capital contribution from non-controlling interests	-	50,000	80,090	82,000
Capital reduction in respect of non-controlling shareholders	-	-	(3,360)	-
Interest paid	(117,352)	(110,309)	(447,248)	(340,011)
(Increase)/Decrease in restricted cash	(79,601)	126,836	(43,344)	120,266
(Decrease)/Increase in amounts due to related corporations (non-trade)	(95,915)	(28,343)	(67,729)	23,948
Decrease in amounts due to director	-	(133)	-	(133)
Increase/(Decrease) in amounts due to non-controlling interests (non-trade)	-	522,478	(800,000)	1,160,000
Decrease in amounts due to joint ventures (non-trade)	(4,527)	-	25,155	-
Decrease in bills payable	(34,850)	-	(129,000)	-
Proceeds from issuance of placement shares	-	-	17,403	-
Proceeds from issuance of perpetual capital securities	143,781	-	143,781	-
Proceeds of borrowings from financial institutions	973,066	296,567	3,375,066	1,299,447
Repayment of borrowings from financial institutions	(694,000)	(287,643)	(1,656,074)	(962,680)
Repayment of borrowings from non-controlling shareholders	-	(200,000)	-	(377,500)
<b>Net cash generated from financing activities</b>	<b>90,602</b>	<b>369,453</b>	<b>494,740</b>	<b>1,005,337</b>
Net increase/(decrease) in cash and cash equivalents	489,856	(221,577)	518,401	(153,615)
Cash and cash equivalents at the beginning of period	334,508	527,435	305,864	459,326
Effect of exchange rate changes on cash held	1,151	6	1,250	153
<b>Cash and cash equivalents at the end of period</b>	<b>825,515</b>	<b>305,864</b>	<b>825,515</b>	<b>305,864</b>
<b>Restricted cash at the end of period</b>	<b>305,759</b>	<b>262,415</b>	<b>305,759</b>	<b>262,415</b>
<b>Cash and cash equivalents in the statement of financial position</b>	<b>1,131,274</b>	<b>568,279</b>	<b>1,131,274</b>	<b>568,279</b>

**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	Merger reserve RMB'000	Statutory reserve RMB'000	Retained profits RMB'000	Foreign currency translation reserve RMB'000	Total RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
<b>At 1 January 2014</b>	-*	(44,710)	95,440	245,600	-	296,330	285,166	581,496
<b>Total comprehensive income for the year</b>								
Profit for the year	-	-	-	9,648	-	9,648	38,167	47,815
<b>Other comprehensive loss</b>								
Foreign currency translation differences	-	-	-	-	(114,929)	(114,929)	-	(114,929)
Total other comprehensive loss	-	-	-	-	(114,929)	(114,929)	-	(114,929)
<b>Total comprehensive income/(loss) for the year</b>	-	-	-	9,648	(114,929)	(105,281)	38,167	(67,114)
<b>Transaction with owners, recognised directly in equity</b>								
<b>Contributions by and distributions to owners</b>								
Increase in share capital arising from the RTO:								
- Issuance of consideration shares pursuant to the RTO completed on 5 August 2014	239,556	-	-	-		239,556	-	239,556
- Professional fees paid in shares	41,618	-	-	-		41,618	-	41,618

Group	Share capital RMB'000	Merger reserve RMB'000	Statutory reserve RMB'000	Retained profits RMB'000	Foreign currency translation reserve RMB'000	Total RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
- Issue of placement shares	18,083	-	-	-	-	18,083	-	18,083
- Expenses on issuance of new shares	(680)	-	-	-	-	(680)	-	(680)
Issuance of perpetual capital securities	143,781	-	-	-	-	143,781	-	143,781
<b>Total contributions by and distributions to owners</b>	442,358	-	-	-	-	442,358	-	442,358
<b>Changes in ownership interests in subsidiaries</b>								
Capital contribution by non-controlling interests	-	-	-	-	-	-	80,090	80,090
Capital reduction in respect of non-controlling interests	-	-	-	-	-	-	(3,360)	(3,360)
Acquisition of non-controlling interests without a change in control	-	-	-	(3,153)	-	(3,153)	3,153	-
Transfer to statutory reserves	-	-	7,223	(7,223)	-	-	932	932
<b>Total changes in ownership interests in subsidiaries</b>	-	-	7,223	(10,376)	-	(3,153)	80,815	77,662
<b>Total transactions with owners</b>	442,358	-	7,223	(10,376)	-	439,205	80,815	520,020
<b>At 31 December 2014</b>	442,358	(44,710)	102,663	244,872	(114,929)	630,254	404,148	1,034,402

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	Retained profits RMB'000	Total RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
<b>At 1 January 2013</b>	-*	(44,710)	73,152	173,912	202,354	365,931	568,285
<b>Total comprehensive income for the year</b>							
Profit for the year/Total comprehensive income for the year	-	-	-	108,874	108,874	8,710	117,684
<b>Transaction with owners, recognised directly in equity</b>							
<b>Contributions by and distributions to owners</b>							
Capital contribution by non-controlling interests	-	-	-	-	-	82,000	82,000
Transfer to statutory reserves	-	-	22,288	(22,288)	-	-	-
<b>Total contributions by and distributions to owners</b>	-	-	22,288	(22,288)	-	82,000	82,000
<b>Changes in ownership interests in subsidiaries</b>							
Acquisition of non-controlling interests without a change in control	-	-	-	(14,998)	(14,998)	(221,475)	(236,473)
Disposal of interest in subsidiaries to non-controlling interests without a change in control	-	-	-	-	-	50,000	50,000
<b>Total changes in ownership interests in subsidiaries</b>	-	-	-	(14,998)	(14,998)	(171,475)	(186,473)
<b>Total transactions with owners</b>	-	-	22,288	(37,286)	(14,998)	(89,475)	(104,473)
<b>At 31 December 2013</b>	-*	(44,710)	95,440	245,600	296,330	285,166	581,496

\*Amount below RMB 1,000

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	Retained profits RMB'000	Warrants reserve RMB'000	Foreign currency translation reserve RMB'000	Total equity RMB'000
<b>At 1 January 2014</b>	137,826	54,125	6,094	-	198,045
<b>Total comprehensive loss for the year</b>					
Loss for the year		(76,341)	-	-	(76,341)
<b>Other comprehensive loss</b>					
Foreign currency transaction differences	-	-	-	(102,867)	(102,867)
<b>Total other comprehensive loss</b>	-	-	-	(102,867)	(102,867)
<b>Total comprehensive loss for the year</b>	-	(76,341)	-	(102,867)	(179,208)
<b>Contributions by and distributions to owners</b>					
Increase in share capital arising from the RTO:					
- Issuance of ordinary shares consideration for the acquisition of a subsidiary	1,385,425	-	-	-	1,385,425
- Professional fees paid in shares	41,618	-	-	-	41,618
- Issuance of placement shares	18,083	-	-	-	18,083
- Expenses on issuance of new shares	(680)	-	-	-	(680)
Issuance of perpetual capital securities	143,781				143,781
<b>Total contributions by and distributions to owners</b>	1,588,227	-	-	-	1,588,227
<b>Total transactions with owners</b>	1,588,227	-	-	-	1,588,227
<b>At 31 December 2014</b>	1,726,053	(22,216)	6,094	(102,867)	1,607,064

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	Retained profits RMB'000	Warrants reserve RMB'000	Total equity RMB'000
At 1 January 2013	137,826	62,847	6,094	206,767
<b>Total comprehensive loss for the period</b>				
Total comprehensive loss for the period	-	(8,722)	-	(8,722)
<b>At 31 December 2013</b>	<b>137,826</b>	<b>54,125</b>	<b>6,094</b>	<b>198,045</b>

Change in functional currency of the Company

Upon the completion of the reserve takeover exercise on 5 August 2014, the Company assessed and concluded that the Company's functional currency be changed from the US dollar to the Singapore dollar. Accordingly, the Company translated its financial statements from US dollars to the Singapore dollar. Accordingly, the Company translated its financial statements from US dollars to Singapore dollars based on the exchange rate prevailing on 5 August 2014. The comparative financial statements for the year ended 31 December 2013 were translated from US dollar to Singapore dollar based on the same prevailing rate on 5 August 2014. In addition, the presentation currency of the Group and the Company is changed from the US dollar to Reminbi.

**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 4Q2014. The share capital of the Company as at 31 December 2014 was RMB1,726,053,000 comprising 666,851,006 shares.

The Company did not have treasury shares as at 31 December 2014 and 31 December 2013.

The Company had 47,488,212 warrants as at 31 December 2014 and 142,464,955 warrants as at 31 December 2013 (before consolidation).

On 9 October 2014, the Company entered into a subscription agreement to issue perpetual capital securities to a third party investor for a consideration of S\$30 million. The Company issued the perpetual capital securities to the subscriber on 17 October 2014.

**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.**

	31 December 2014	31 December 2013
Total number of issued ordinary shares	666,851,006	284,929,910

The number of shares as at 31 December 2013 is that of R H Energy Limited (now known as Chiwayland International Limited).

**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.**

Not applicable. There were no 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 current financial year reported on as those used in the consolidated audited financial statements of Chiwayland Group (Singapore) Pte. Ltd. and its subsidiaries for the financial year ended 31 December 2013.

**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 2014. The adoption of the new and revised 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. Earning 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 3 months ended 31 December 2014 and for the financial year ended 31 December 2014 is computed based on weighted average number of ordinary shares outstanding in the year. For comparative purpose, the basic earnings per share of the Group in the 3 months ended 31 December 2013 and for the financial year ended 31 December 2013 are computed based on the number of consideration shares issued for the RTO. The diluted earnings per share is the same as the basic earnings per share as the outstanding warrants are anti-dilutive.

	<b>Group 4Q 2014</b>	<b>Group 4Q 2013</b>	<b>Group 12M 2014</b>	<b>Group 12M 2013</b>
Net profit attributable to owners of the Company (RMB ‘000)	63,129	78,740	9,648	108,974
Weighted average number of ordinary shares in issue	571,875,362	549,275,362	558,501,115	549,275,362
<b>Earnings per ordinary share of the Group</b>				
(i) Basic (RMB cents)	11.04	14.34	1.73	19.84
(ii) Diluted (RMB cents)	11.04	14.34	1.73	19.84



**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**

For illustrative purposes, the net asset value per share of the Group as at 31 December 2013 is computed based on total number of issued shares of 666,851,006 shares on the basis that the RTO exercise and compliance placement have been completed.

	<b>Group 31 Dec 2014</b>	<b>Group 31 Dec 2013</b>
<b>Net asset value per ordinary share of the Group</b>		
(RMB cents)	94.51	44.44
Number of ordinary shares issued ('000)	666,851	666,851

	<b>Company 31 Dec 2014</b>	<b>Company 31 Dec 2013</b>
<b>Net asset value per ordinary share of the Company</b>		
(RMB cents)	240.99	69.51
Number of ordinary shares issued ('000)	666,851	284,930 <sup>(1)</sup>

<sup>(1)</sup>Based on the number of shares of R H Energy Ltd.(now known as Chiwayland International Limited) as at 31 December 2013.

**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**

**4Q2014 vs 4Q2013**

**Revenue**

The Group achieved revenue of RMB947.28 million for the fourth quarter ended 31 December 2014 ("4Q2014"), a growth of 13% or RMB106.51 million over the same period in 2013, primarily due to the increase in property units handed over with a corresponding increase in aggregate Gross Floor Area ("GFA") sold and recognised, of approximately 85.5% or 160,227 square metres ("sqm"). The increase in GFA sold and recognized was mainly attributable to the Suzhou Hemei Garden project which contributed RMB795.71 million, or approximately 73.9% of the total revenue generated for 4Q2014.

**Cost of sales and gross profit margin**

In tandem with the increase in revenue, cost of sales, comprising mainly land acquisition costs, construction costs, capitalized borrowing costs, and indirect costs increased by 23% or RMB170.52

million from RMB739.96 million in 4Q2013 to RMB910.48 million in 4Q2014.

Gross profit decreased by 63% or RMB63.91 million from RMB100.81 million in 4Q2013 to RMB36.81 million in 4Q2014. Overall gross profit margin declined from 12.0% in 4Q2013 to 3.9% in 4Q2014. This was due mainly to the increase in revenue gross profit contribution from Suzhou Hemei Garden, which is a fixed priced housing development project with a lower gross profit margin.

#### **Other income**

Other income, mainly comprised the change in fair value of investment properties, increased by 331% or RMB139.03 million from RMB42.06 million in 4Q2013 to RMB181.09 million in 4Q2014. The increase was mainly due to fair value gain from the commercial retail units of Phase II of Suzhou Royal Palace.

#### **Selling and distribution expenses**

Selling and distribution expenses comprised primarily advertising and promotion expenses, sales commissions, sales offices rental expenses and maintenance costs. Selling and distribution expenses increased by 28% or RMB5.53 million from RMB19.56 million in 4Q2013 to RMB25.09 million in 4Q2014. This was due mainly to the increase in sales and marketing activities for Suzhou Royal Palace and Suzhou Industrial Park Royal Mansion projects.

#### **Administrative expenses**

Administrative expenses comprised 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 administrative expenses increased by 62% or RMB11.53 million from RMB18.65 million in 4Q2013 to RMB30.18 million in 4Q2014. This was attributable mainly to higher staff costs and other related expenses as a result of an increase in headcount which is in line with the increase in business activities for new projects such as Suzhou Industrial Park Royal Mansion.

#### **Other operating expenses**

Other operating expenses in 4Q2014 increased by 58% or RMB0.25 million from RMB0.45 million in 4Q2013 to RMB0.70 million in 4Q2014, mainly attributable to donations amounting to RMB 0.2 million in 4Q2014 as part of the Group's ongoing corporate social responsibility program in the cities where it operates.

#### **Net finance costs**

Net finance costs increased by 185% or RMB7.98 million from RMB4.32 million in 4Q2013 to RMB12.30 million in 4Q2014. This increase was mainly due to the smaller portion of interest expenses capitalised in 4Q2014 for the Chiwayland Group's property development projects.

#### **Share of results of joint ventures, net of tax**

Share of results of joint ventures, net of tax, declined by 99% from RMB14.63 million in 4Q2013 to RMB73,000 in 4Q2014. The share of profit in 4Q2014 was derived from Suzhou Gaoxin, while the share of profit in 4Q2013 was mainly derived from Shanghai Real Estate Group, which was accounted for as investments in joint ventures prior to the Group obtaining full control over the joint venture entity in August 2014.

#### **Income tax expense**

Income tax expense, which included enterprise income tax and land appreciation tax (“LAT”) increased by 35% or RMB12.13 million from RMB34.92 million in 4Q2013 to RMB47.05 million in 4Q2014. The increase in income tax expense was in tandem with the higher operating profit in 4Q2014.

#### **Profit after Tax**

The Group reported profit after tax (after considering loss of discontinued operations) of RMB102.64 million in 4Q2014, an increase of 29% or RMB23.04 million, from RMB79.60 million in 4Q2013.

#### **FY2014 vs FY2013**

##### **Revenue**

The Group achieved total revenue of RMB2.21 billion for the financial year ended 31 December 2014 (“FY2014”), an increase of 35% or RMB575.51 million, as compared to RMB1.64 billion in FY2013. The increase was due mainly to the increase in aggregate GFA sold and recognized for Xuancheng Chiway Top Town, Suzhou Hemei Garden and Suzhou Hetai Garden projects in FY2014. Xuancheng Chiway Top Town, Suzhou Hemei Garden and Suzhou Hetai Garden projects contributed approximately RMB765.77 million, RMB816.01 million and RMB505.21 million, respectively, to the total revenue recorded in FY2014. These projects contributed approximately 94.3% of the total revenue for FY2014.

##### **Cost of Sales and Gross Profit Margin**

For FY2014, the increase in the Group’s cost of sales was generally in tandem with the increase in revenue. The Group’s gross profit declined marginally by 7% or RMB14.47 million from RMB199.18 million in FY2013 to RMB184.71 million in FY2014. This was due mainly to the write down of the carrying value of Phase 2 of Zhangjiagang Royal Palace (Phase II) amounting to RMB 56.2 million.

Overall gross profit margin decreased from 12.2% in FY2013 to 8.3% in FY2014. This was due mainly to the increase in revenue and gross profit contribution from fixed price housing projects, namely Suzhou Hemei and Suzhou Hetai Garden, which command lower gross profit margins. Fixed price housing projects contributed approximately 59.5% of the Group’s total revenue in FY2014 as compared to approximately 10.7% of the Group’s total revenue in FY2013.

Besides the lower gross profit margin from fixed price housing projects, the gross profit margin contributed by Xuancheng Chiway Top Town was also lower as compared to the projects such as Wuxi Chiway Regent Town, Wuxi Chiway Artdeco and Wuxi Jun Mansion, which had higher gross profit margin and these projects were the key revenue contributors in FY2013.

#### **Other Income**

Other income comprised mainly change in fair value of investment properties, gain on disposal of interests in joint ventures, gain on disposal of subsidiaries and receipt of government grants. Other income increased by 176% or RMB141.56 million from RMB80.3 million in FY2013 to RMB221.86 million in FY2014. The increase was mainly due to the gain from the change in fair value of investment properties of RMB180.02 million in FY2014 as compared to RMB47.62 million in FY2013.

Gain from change in fair value of investment properties was mainly due to the fair value gain from the commercial retail units of Phase II of Suzhou Royal Palace as a result of the continuing growth of the local property development market where the Chiwayland Group's investment properties are located.

Other income for FY2014 also consisted of the gain on disposal of joint ventures as a result of the Group obtaining full control over the joint venture entities, namely Shanghai Real Estate and Xuzhou Chiway, pursuant to the repurchase of 100% paid-up capital of Shanghai Lvwen and Shanghai Real Estate in August 2014, as well as a government grant received from the local government in Zhangjiagang for the Zhangjiagang Royal Palace project.

For FY2013, other income comprised the gain on disposal of subsidiaries for Xuzhou Chiway and Shanghai Real Estate, and gain from change in fair value of investment properties.

#### **Selling and Distribution Expenses**

The Group's selling and distribution expenses in FY2014 increased by 32% or RMB15.52 million from RMB49.03 million in FY2013 to RMB64.55 million in FY2014. The increase was due mainly to increase in the selling and distribution activities for Suzhou Royal Palace and Suzhou Industrial Park Royal Mansion projects in FY2014.

#### **Administrative Expenses**

The Group's administrative expenses increased by 31% or RMB20.31 million from RMB64.58 million in FY2013 to RMB84.89 million in FY2014. The higher expenses were due mainly to higher staff costs and other related expenses as a result of an increase in headcount that was in tandem with the increase in business activities for new projects such as Suzhou Industrial Park Royal Mansion, as well as increase in professional fees and listing expenses, including payment to external professionals for regulatory compliance and maintaining listing status after the completion of the RTO.

#### **Non-operating expenses**

The non-operating expenses of RMB105.59 million incurred in FY2014 comprised (1)

professional fees paid in shares (being the arranger shares of 16,500,000 shares) to Grandale Enterprises Limited, amounting to RMB41.62 million for consultancy services provided in connection with the RTO listing exercise pursuant to the Grandale Consultancy Agreement dated 13 September 2012; (2) loss on disposal of R H Energy Ltd.'s subsidiaries amounting to RMB12.9 million in September 2014 subsequent to the completion of the RTO; and (3) RTO costs amounting to RMB51.07 million.

The non-operating expenses incurred for the current year reported on are one-off in nature.

#### **Other operating expenses**

Other operating expenses in FY2014 decreased by 40% or RMB0.81 million from RMB2.02 million in FY2013 to RMB1.21 million in FY2014, mainly attributable to less surcharge for overdue payment happened in FY2014.

#### **Net Finance Costs**

Net finance costs in FY2014 increased marginally by 4% or RMB0.57 million from RMB15.52 million in FY2013 to RMB16.09 million in FY2014. The increase was due to increase in interest expenses which were not be capitalized in 4Q 2014.

#### **Share of results of joint ventures, net of tax**

Share of results of joint ventures, net of tax, reversed from a profit of RMB14.10 million in FY2013 to a loss of RMB9.57 million in FY2014. The loss mainly stemmed from the losses incurred by Xuzhou Chiway and Shanghai Real Estate Group from January 2014 to August 2014, which were accounted for as investments in joint ventures, prior to the Group obtaining full control of these joint venture entities in August 2014.

#### **Income Tax Expense**

Income tax expense in FY2014 increased by 68% or RMB30.43 million from RMB44.75 million in FY2013 to RMB75.18 million in FY2014, mainly due to the increase in operating profit excluding the non-operating expenses.

The Group reversed LAT provision amounting to RMB28.69 million in 3Q2013 due to overprovision of prior years' LAT. If the effect arising from the reversal of the LAT provision is excluded, the income tax expense would have increased by 2.4% or RMB1.74 million from RMB73.44 million in FY2013 to RMB75.18 million in FY2014.

#### **Loss from discontinued operations**

Loss from discontinued operations comprised the losses incurred by R H Energy Ltd.'s subsidiaries, which were disposed of in September 2014.

#### **Profit after Tax**

The Group reported profit after tax (after considering loss from discontinued operations) of

RMB47.82 million in FY2014, a decrease by 59% or RMB69.86 million from RMB117.68 million in FY2013. The decrease was mainly due to the one-off non-operating expenses in relation to the RTO exercise.

Excluding these one-off expenses, the Group would have reported profit after tax of RMB153.41 million for FY2014, an increase of 30% from FY2013.

## **Statement of Financial Position**

### **Non-current Assets**

Non-current assets comprised mainly property, plant and equipment, investment properties, interest in joint ventures and deferred tax assets. As at 31 December 2014, non-current assets amounted to RMB891.58 million as compared to RMB617.33 million as at 31 December 2013.

The increase in non-current assets of RMB274.25 million was due mainly to increase in investment properties, which increased from RMB440.80 million as at 31 December 2013 to RMB807.80 million as at 31 December 2014. The increase in investment properties was due to the change in fair value of investment properties of RMB180.02 million and increase in the cost of investment properties from the construction costs incurred such as on Xuzhou Training Center project, an education facility under Xuzhou Royal Palace, which has been leased out for rental income. The facility is classified as investment properties in the consolidated financial statements.

However, the increase in non-current assets was partially offset by the decrease in interest in joint ventures, which decreased from RMB133.9 million as at 31 December 2013 to RMB24.4 million as at 31 December 2014. The Group repurchased Shanghai Tongrui and Shanghai Lvwen in the third quarter ended 30 September 2014, and thus Shanghai Tongrui, Shanghai Lvwen, Xuzhou Chiway and Shanghai Real Estate were consolidated as wholly-owned subsidiaries of the Group.

### **Current Assets**

Current assets as at 31 December 2014 and 31 December 2013 amounted to RMB9.25 billion and RMB7.15 billion, respectively. The increase in current assets of RMB2.11 billion during the financial year was due mainly to:

- (i) increase in properties under development of RMB1.13 billion due largely to the land acquisition costs incurred for Suzhou Industrial Park Royal Mansion during this period, including reclassification of prepaid land costs from advance payments of RMB738.5 million;
- (ii) increase in completed properties held for sale of RMB1.07 billion due largely to the completion of Phase 2 of Suzhou Hetai Garden, Suzhou Hemei Garden, and a portion of Phase 1 and Phase 2 of Xuancheng Chiway Top Town;
- (iii) increase in financial assets of RMB255.88 million, which relates mainly to two short-term (less than a month) financial assets of RMB250 million; and
- (iv) increase in cash and cash equivalents of RMB563.00 million.

The increase in current assets was partially offset by:

- (i) decrease in trade receivables, other receivables and advance payments of RMB914.10 million, which was due mainly to the reclassification of prepaid land costs of Suzhou Industrial Park Royal Mansion of RMB738.5 million from advance payments to properties under development as at 31 December 2014. Trade receivables, other receivables and advance payments relating to advances made to suppliers as at 31 December 2014 amounted to RMB355.52 million.

Contract work-in-progress refers to the contracts the Group has entered into with Suzhou Investment Management, a state-owned enterprise, through a joint venture, to develop certain parts of Suzhou International Education Park (North) (苏州国际教育园(北区)), an educational developments, with an approximate land area of 35,000 sqm. Contract work-in-progress was stated at the construction costs incurred on behalf of the local educational authorities, which were in turn funded by advances from the Suzhou Municipal Government.

#### **Non-current liabilities**

As at 31 December 2014, non-current liabilities were RMB2.76 billion as compared to RMB1.39 billion as at 31 December 2013. The increase in non-current liabilities of RMB1.37 billion was due mainly to increase in loans from financial institutions of RMB2.91 billion, which are attributable to RMB1.4 billion of loans from Wanjia Gongying Assets Management Co., Ltd. for the Suzhou Industrial Park Royal Mansion project undertaken by Suzhou Shangcheng, RMB1.51 billion of loans from banks for the construction of projects – Xuancheng Chiway Top Town, Suzhou Royal Palace, and Xuzhou Royal Palace and RMB290 million from acquisition of subsidiary. The increase was partially offset by the decrease in loans and borrowings due to the reclassification of RMB750 million to short-term loans and borrowings, and repayment of RMB1.11 billion to banks.

#### **Current liabilities**

Current liabilities as at 31 December 2014 amounted to RMB6.35 billion as compared to RMB5.80 billion as at 31 December 2013. The increase in current liabilities of RMB551.55 million was due mainly to the increase in short-term loans and borrowings of RMB693.60 million as a result of new borrowings of RMB465.1 million, the reclassification of a non-current loan of RMB750 million to short-term loans and borrowings, and RMB20 million from acquisition from subsidiary. The increase was partially offset by the repayment of RMB541.5 million to banks.

Advance receipts from government were RMB439.9 million as at 31 December 2014 and 31 December 2013. The amount was provided by the government to fund the contract work-in-progress as aforementioned in the paragraph above entitled “Current assets”.

#### **Shareholders' equity**

As at 31 December 2014, shareholders' equity was RMB1.03 billion as compared to RMB581.5 million as at 31 December 2013. Please refer to the section 1(d)(i) for the movement of shareholders' equity.

## **Cash flow statement**

### **4Q2014 vs 4Q2013**

During 4Q2014, the Group had a net cash inflow from operating activities of RMB746.33 million which comprised operating cash inflows before movements in working capital of RMB41.33 million, adjusted for net working capital inflows of RMB719.99 million and income tax payment of RMB14.99 million. The net working capital inflows were mainly due to an increase in trade payables, other payables and advance receipt of RMB1,045.43 million, partially offset by an increase in properties under development of RMB231.72 million, and in trade receivables, receivables and advance payments of RMB84.80 million.

The Group recorded a net cash outflow from investing activities of RMB347.08 million due mainly to acquisition of financial assets held for trading of RMB250 million, development expenditure paid on investment properties of RMB96.85 million during 4Q2014, an increase in amounts due from non-controlling shareholders of RMB97.5 million, partially offset by a decrease in amounts due from jointly-controlled entities of RMB49.49 million.

The Group recorded a net cash inflow from financing activities of RMB90.60 million during 4Q2014. This was due mainly to proceeds of borrowings from financial institutions of RMB973.07 million, proceeds of issuance of perpetual capital securities of RMB143.78 million, partially offset by interest paid of RMB117.35 million, and repayment of borrowings from financial institutions of RMB694.00 million.

### **FY2014 vs FY2013**

The Group had a net cash inflow from operating activities of RMB458.25 million during FY2014 which comprised operating cash inflows before movements in working capital of RMB99.51 million, adjusted for net working capital inflows of RMB407.83 million and income tax payment of RMB49.09 million. The net working capital inflows were mainly due to an increase in trade payables, other payables and advance receipts of RMB1,339.52 million, partially offset by an increase in properties under development of RMB833.44 million, and an increase in trade receivables, other receivables and advance payments of RMB88.69 million.

The Group recorded a net cash outflow from investing activities of RMB434.59 million due mainly to development expenditure paid on investment properties of RMB186.98 million during FY2014; acquisition of financial assets held for trading of RMB260.5 million, acquisition of subsidiaries of RMB90.95 million, increase in amounts due from non-controlling shareholders of RMB97.5 million; partially offset by an increase in amounts due from jointly-controlled entities of RMB41.49 million.

The Group recorded a net cash inflow from financing activities of RMB494.74 million during



FY2014. This was due mainly to proceeds from borrowings from financial institutions of RMB3.38 billion, and proceeds of issuance of perpetual capital securities of RMB143.78 million, partially offset by decrease in amounts due to non-controlling shareholders of RMB800.0 million; interest expenses paid of RMB447.25 million; and repayment of borrowings from financial institutions of RMB1.66 billion.

**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.**

Not applicable.

**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**

### **Industry Outlook**

Demand for residential housing in China is expected to remain stable as the government continues to introduce measures to support homebuyers in their housing purchase, such as lowering interest rates and relaxing bank reserve ratio requirements.<sup>(1)</sup> Demand for quality commercial and residential developments in the key cities is expected to be underpinned by continued urbanization and the long term economic growth of the PRC. With its expertise and track record, the Group is confident that it would be able to deliver “quality real estate and quality living”.

Similarly in Australia, the Group expects demand for homes to be healthy. A stable economy, the low interest rate environment, demand from foreign investors and interstate migration would lend support to demand for homes across major Australian cities.

### **Group Outlook**

The Group will continue to focus on delivering a full suite of services ranging from real estate investment and development, township planning, project management, marketing and sales to building maintenance.

The Group enhanced its presence in Australia with the successful tender of a land site in Sydney during the fourth quarter. This tender was secured by its wholly-owned subsidiary and the Group plans to develop residential units on that land site. Subsequently, on 15 January 2015, the Group announced the establishment of a joint venture in Sydney, to develop a separate plot of land into residential units. The Group will continue to tap on strategic opportunities to strengthen its foothold in Australia.

*Source: (1) <http://www.maxxelli-consulting.com/china-economic-growth-forecast-2015/>*

## 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. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Information regarding the results of each respectable segment is included below. Performance is measured based on segment profit or loss, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit or loss is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

### Information about reportable segment

	Property development RMB'000	Others RMB'000	Total continuing operations RMB'000	Discontinued operations RMB'000	Total RMB'000
<b>31 December 2013</b>					
<b>Revenue from external customers</b>	1,630,234	8,227	1,638,461	-	1,638,461

<b>Inter-segment revenue</b>	-	3,108	3,108	-	3,108
<b>Reportable segment revenue</b>	1,634,841	11,335	1,641,569	-	1,641,569
Net finance costs	(16,051)	534	(15,517)	-	(15,517)
<b>Reportable segment profit/(loss) for the year</b>	145,713	(34,134)	111,579	-	111,579

	<b>Property development</b>	<b>Others</b>	<b>Total continuing operations</b>	<b>Discontinued operations</b>	<b>Total</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>31 December 2013</b>					
<b>Other material items:</b>					
Change in fair value of investment properties	-	47,617	47,617	-	47,617
Depreciation of property, plant and equipment	(715)	(1,323)	(2,038)		(2,038)
<b>Reportable segment assets</b>	8,801,951	3,015,085	11,817,036	-	11,817,036
<b>Reportable segment liabilities</b>	6,804,932	2,821,420	9,626,352	-	9,626,352

<b>Other segment information:</b>					
Additions to non-current segment assets during the year	4,378	105,978	110,356	-	110,356

	Property development RMB'000	Others RMB'000	Total continuing operations RMB'000	Discontinued operations RMB'000	Total RMB'000
<b>31 December 2014</b>					
<b>Revenue from external customers</b>	2,204,076	9,895	2,213,971	-	2,213,971
<b>Inter-segment revenue</b>	-	7,841	7,841	-	7,841
<b>Reportable segment revenue</b>	2,204,076	17,736	2,221,812	-	2,221,812
Net finance costs	(14,761)	(1,324)	(16,085)	-	(16,085)
<b>Reportable segment profit/(loss) for the year</b>	223,373	(170,516)	52,857	(1,681)	51,176
<b>Other material items:</b>					
Change in fair value of investment properties	-	180,024	180,024	-	180,024
Depreciation of property, plant and equipment	(1,509)	(485)	(1,994)	-	(1,994)
<b>Reportable segment assets</b>	11,954,148	4,138,511	16,092,659,	-	16,092,659
<b>Reportable segment liabilities</b>	9,455,661	2,590,580	12,046,241	-	12,046,241
<b>Other segment information:</b>					
Additions to non-current segment assets during the year	15,956	367,256	383,212	-	383,212

***Reconciliation of reportable segment revenue, profits, assets and liabilities***

	<b>2013</b>	<b>2014</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b><i>Revenue</i></b>		
Reportable segment revenue	1,641,569	2,221,812
Elimination of inter-segment revenue	(3,108)	(7,841)
Revenue	<u>1,638,461</u>	<u>2,213,971</u>
<b><i>Profit for the year</i></b>		
Reportable segment profit /(loss) for the year	111,579	51,176
Elimination of inter-segment unrealised profits	(37,438)	(27,622)
Change in fair value of financial assets	–	(122)
Gain on disposal of interests in joint ventures		35,634
Gain on disposal of financial assets	5,580	–
Gain on disposal of subsidiaries (net)	23,868	–
Share of results of joint ventures	14,095	(9,570)
Profit from continuing operations	<u>117,684</u>	<u>49,496</u>
Less: Loss from discontinuing operation, net of tax	–	(1,681)
Profit for the year	<u>117,684</u>	<u>47,815</u>
<b><i>Total assets</i></b>		
Reportable segment assets	11,817,036	16,092,659
Elimination of inter-segment receivables	(2,441,955)	(4,330,983)
Elimination of inter-segment investments	(1,705,500)	(1,861,351)
Elimination of inter-segment unrealised profits	(38,027)	(38,062)
Financial assets held	391	258,519
Interests in joint ventures	133,948	24,411
Consolidated total assets	<u>7,765,893</u>	<u>10,145,193</u>
<b><i>Total liabilities</i></b>		
Reportable segment liabilities	9,626,352	12,046,241
Elimination of inter-segment payables	(2,441,955)	(2,935,450)
Consolidated total liabilities	<u>7,184,397</u>	<u>9,110,791</u>

**15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to paragraph 8.

**16. A breakdown of sales as follows:—**

	<b>31-Dec-14 RMB'000</b>	<b>31-Dec-13 RMB'000</b>	<b>% Increase/ (decrease)</b>
(a) Sales reported for first half year	1,000,533	648,976	54%
(b) Operating profit/(loss) after tax before deducting minority interests reported for first half year	10,485	10,424	1%
(c) Sales reported for second half year	1,213,438	989,485	23%
(d) Operating profit after tax before deducting minority interests reported for second half year	37,330	107,260	-65%

**17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

There is no dividend distributed during current and previous financial year.

**18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement**

<b>Name</b>	<b>Age</b>	<b>Family relationship with any director/or substantial shareholder</b>	<b>Current position and duties, and the year the position was held</b>	<b>Details of changes in duties and position held, if any, during the year</b>
Qian Bo (钱波)	44	Mr Qian Jianrong's sister	An accountant with Suzhou Gaoxin, 5 years	Nil
Huang Yi (黄毅)	44	Huang Yi is the husband of Ms Qian Bo and the brother-in-law of Mr Qian Jianrong	A human resource manager for the Chiwayland Group's Suzhou operations, 4 years.	Nil

**19. Update on use of proceeds**

(i) On 5 August 2014, 6,100,000 new shares were issued pursuant to the Proposed Compliance Placement exercise, of which net proceeds of S\$3.4 million were raised and will be utilised in accordance to the intended use as set out in the table below. As at the date of this announcement, the amount utilised from the net proceeds stated below:

<b>Use of proceeds</b>	<b>Allocated (S\$)</b>	<b>Utilised (S\$)</b>	<b>Balance (S\$)</b>
Merger and acquisition, joint ventures and strategic	2.5 million	2.5 million <sup>(1)</sup>	-

alliances			
General working capital purposes	0.9 million	0.9 million <sup>(2)</sup>	-

Note:

<sup>(1)</sup> Investment in joint venture in Australia

<sup>(2)</sup> Mainly include the payment of the stamp duty related to the RTO exercise.

The Company had received the S\$36.0 million Disposal Consideration (as defined in the Company's Circular dated 10 June 2014) from the Proposed Disposal (as defined in the Company's circular dated 10 June 2014).

As at the date of this announcement, the amount utilised from the net proceeds is stated below:

Use of proceeds	Allocated (S\$)	Utilised (S\$)	Balance (S\$)
Proposed Acquisition	20 million	20 million	-
Professional fees	3.5 million	3.5 million	-
General working capital purposes	12.5 million	1.8 million <sup>(3)</sup>	10.7 million

<sup>(3)</sup> Mainly include audit fees and property valuation fees.

(ii) On 9 October 2014, the Group announced the subscription of S\$30 million perpetual capital securities by Shagang South-Asia, a wholly-owned subsidiary of Jiangsu Shagang Group, one of the largest private steel enterprises in the PRC, located in Zhangjiagang, Jiangsu, China, an Economic Development Zone of the Yangtze River.

The Company had received net proceeds of S\$29.7 million after reducing the arranger's fee on 24 October 2014.

As at the date of this announcement, the amount utilised from the net proceeds is stated below:

Use of proceeds	Allocated (S\$)	Utilised (S\$)	Balance (S\$)
Investment in joint venture for the property development projects in Brisbane Australia	11.9 million	0.1 million	11.8 million
Investment in other property development projects in Australia, as and when the appropriate opportunities arise	14.8 million	6.2 million <sup>(4)</sup>	8.6 million
General working capital	3.0 million	-	3.0 million

<sup>(4)</sup> Include investment in Parramatta and Roseville, Australia.

## 20. 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 31 Dec 2014	Adjusted as at 31 Dec 2014 <sup>(1)</sup>	Adjusted as at 31 Jan 2015 <sup>(1)</sup>
Cash and cash equivalents	1,131,274	1,131,274	*
Current Indebtedness			
<b>Secured</b>			
<b>Borrowings (guaranteed)</b>	300,000	300,000	300,000
<b>Borrowings (non-guaranteed)</b>	805,000	1,085,000 <sup>(2)</sup>	1,085,000 <sup>(2)</sup>
<b>Unsecured</b>			
<b>Borrowings(non-guaranteed)</b>	122,000	175,706 <sup>(3)</sup>	175,706 <sup>(3)</sup>
Non-current Indebtedness			
<b>Secured</b>			
<b>Borrowings (guaranteed)</b>	858,573	858,573	938,573 <sup>(4)</sup>
<b>Borrowings(non-guaranteed)</b>	1,817,493	1,817,493	1,860,093 <sup>(5)</sup>
<b>Total Indebtedness</b>	<b>3,903,066</b>	<b>4,236,772</b>	<b>4,359,372</b>
<b>Total Shareholders' equity</b>	<b>1,034,402</b>	<b>1,034,402</b>	*
<b>Total Capitalisation and Indebtedness</b>	<b>4,937,468</b>	<b>5,271,174</b>	*

\* Not applicable for disclosure for the period reported on.

**Notes:**

- (1) Adjusted to reflect the Group's aggregate indebtedness pursuant to the trust financing arrangements, where certain amounts were accounted for as items other than borrowings in the unaudited consolidated financial statements as at 31 December 2014.
- (2) On 12 January 2013 and 1 February 2013, Hongchang Gaoxian, a subsidiary of Jiangsu Shagang Group, and Suzhou Chiway Jinhui entered into loan agreements, pursuant to which, Hongchang Gaoxin provided an aggregate loan of RMB630.0 million to Suzhou Chiway Jinhui for a period of one (1) year at an interest rate of 15.0%. The loan period term was from the date of drawdown and can be extended to 18 months. The drawdown were RMB100 million at 14 January 2013, RMB250 million at 26 March 2013, and RMB280 million at 6 June 2013. As at 31 December 2014 and 31 January 2015, RMB280.0 million remained outstanding. The amount due to Hongchang Gaoxian is classified as amount due to non-controlling interests in the unaudited consolidated financial statements.
- (3) On 18 September 2012, Suzhou Gaoxin provided a loan of RMB115.4 million to Shanghai Investment for a period of one (1) year, at a floating interest rate of benchmark interest rate + 10%, which can be renewed on a rolling basis. As at 31 December 2014 and 31 January 2015, RMB53.71 million remained outstanding. The amount due to Suzhou Gaoxin is classified as amounts due to joint ventures in the unaudited consolidated financial statements.
- (4) In 7 January 2015 and 16 January 2015, one of the Company's subsidiaries, Suzhou Shangcheng borrowed a construction loan from China Construction Bank, which amounted to



RMB 80 million in total.

- (5) In 10 December 2014, one of the Company's subsidiaries, Xuzhou Chiway has entered into a Type 1 trust financing agreement with Hangzhou Industrial & Commercial Trust Co., Ltd. ("Hangzhou Trust"), pursuant to which, Hangzhou Trust provided a funding of RMB300,000,000 for the development of Xuzhou Royal Palace. The funding is for a period of 18 months commencing drawn down date and Xuzhou Chiway shall pay Hangzhou Trust at an interest rate of 13.6% per annum payable on a quarterly basis. As security for the performance of the aforementioned obligations, (i) Suzhou Chiwayland pledged its 100% equity interest in Xuzhou Chiway to Hangzhou Trust; and (ii) Suzhou Chiwayland provided a guarantee in favour of Hangzhou Trust. Upon full repayment, the security would be discharged. RMB257.40 million was drawn down in 12 December 2014 while RMB42.60 million was drawdown in 9 January 2015.

- (b) the aggregate trust financing obligations as a percentage of total indebtedness;

The Group has entered into three Type 1 debt-type trust financing agreements on 25 July 2014, 19 August 2014 and 10 December 2014 respectively. As at 31 December 2014 and 31 January 2015, RMB677.40 million and RMB 720 million remained outstanding.

RMB'000	Adjusted as at 31	Adjusted as at 31
	Dec 2014	Jan 2015
<b>Total trust financing indebtedness</b>	<b>677,400</b>	<b>720,000</b>
<b>Total Indebtedness</b>	<b>4,236,772</b>	<b>4,359,372</b>
<b>Trust financing as a percentage of total Indebtedness</b>	<b>15.99%</b>	<b>16.52%</b>

- (c) 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 31 December 2014 and 31 January 2015.

- (d) 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.

- (e) 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.

- (f) for as long as the trust financing arrangements remain valid and subsisting and the financial statements of Xuzhou Chiway and Shanghai Real Estate have not been consolidated in the Enlarged Group's consolidated financial statements:

Not applicable. The trust financing arrangements in respect of Xuzhou Chiway and Shanghai Real Estate have been fully repaid. Accordingly, Xuzhou Chiway and Shanghai Real Estate have been accounted for as wholly-owned subsidiaries of the Group and their financial statements have been consolidated in the Group's unaudited financial information for the current period being reported on.

- (1) the unaudited revenue, profit before tax and net asset value of Xuzhou Chiway and Shanghai Real Estate;

Not applicable.

- (2) the sale progress of Xuzhou Royal Palace Phase 3 and whether the Group has met the pre-determined sale progress;

Not applicable.

- (3) the illustrative unaudited financial information of the Group as if Xuzhou Chiway and Shanghai Real Estate are accounted for as wholly-owned subsidiaries and the relevant operations review based on both the audited consolidated financial statements and illustrative unaudited financial information.

Not applicable.

## BY ORDER OF THE BOARD

### On behalf of the Board of Directors

Qian Jianrong  
Executive Chairman

Tian Honglei  
Executive Director

1 March 2015

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*UOB Kay Hian Private Limited was the financial adviser to the Company for the acquisition of the entire issued and paid up share capital of Chiwayland Group (Singapore) Pte. Ltd. (the “Financial Adviser”). The Financial Adviser assumes no responsibility for the contents of this announcement.*