

MEDIA RELEASE

CHIWAYLAND'S FY2014 REVENUE GREW 35% TO RMB2.2 BILLION

- Focus on fixed price housing projects mitigated the challenging business environment in China
- Appreciation in value of investment properties in strategic locations bolstered fair value gains
- Excluding one-off RTO related expenses, net profit increased by 30% to RMB153 million y-o-y in FY2014

FYE 31 December (RMB'm)	4Q2014	4Q2013	YoY Change	FY2014	FY2013	YoY change
Revenue	947.3	840.8	+ 13%	2,214.0	1,638.5	+ 35%
Gross profit	36.8	100.8	- 63%	184.7	199.2	- 7%
Non-operating expenses (One-off)	-	-	n.a.	(105.6)	-	n.m.
Operating profit⁽¹⁾	161.9	104.2	+ 55%	150.3	163.9	- 8%
Operating profit ⁽²⁾	161.9	104.2	+ 55%	255.9	163.9	+ 56%
Profit before tax ⁽¹⁾	149.7	114.5	+ 31%	124.7	162.4	- 23%
Profit before tax ⁽²⁾	149.7	114.5	+ 31%	230.3	162.4	+ 42%
Net profit after tax ⁽³⁾	102.6	79.6	+ 29%	47.8	117.7	- 59%
Net profit after tax ⁽⁴⁾	102.6	79.6	+ 29%	153.4	117.7	+ 30%

Notes:-

- (1) From continuing operations.
 (2) From continuing operations and excluding one-off non-operating expenses related to the RTO related exercise.
 (3) Including loss from discontinued operations.
 (4) Including loss from discontinued operations and excluding one-off non-operating expenses related to the RTO related exercise

SINGAPORE, 01 March 2015 – Mainboard-listed **Chiwayland International Limited** (中锐地产国际股份有限公司), together with its subsidiaries (“**Chiwayland**” or the “**Group**”), one of the leading property developers in the People’s Republic of China (the “**PRC**”), registered a revenue growth of 13% to RMB947.3 million in 4Q2014, while its net profit after tax improved by 29% to RMB102.6 million in 4Q2014 amidst the challenging business environment for the property sector in the PRC.

Revenue growth in 4Q2014 was mainly due to an additional 85.5% or 160,227 square metres (“sqm”) in aggregate gross floor area (“GFA”) sold and recognised, mainly attributable to Suzhou Hemei Garden project. This project accounted for 84.8% of the total revenue recognised for 4Q2014.

For FY2014, Chiwayland achieved revenue of RMB2.2 billion, mainly due to the increased GFA sold and recognised, primarily attributable to Xuancheng Chiway Top Town and Suzhou Hemei Garden and Hetai Garden projects. These projects contributed 94.3% of total revenue generated in FY2014.

Chiwayland expanded into fixed price housing (“定销房”) property development projects in 2009 to strengthen its business presence in the PRC and also as a strategic move to overcome the challenging business environment amid the various control measures on the property industry by the PRC Government. The unique features of these property developments include lower land costs, certainty in customer base, and buy-back commitment by the government, which reduce the Group’s exposure to market fluctuations. For FY2014, Chiwayland has two such developments, namely, Suzhou Hetai Garden and Suzhou Hemei Garden.

Gross profit declined by 63% from RMB100.8 million in 4Q2013 to RMB36.8 million in 4Q2014 as the fixed priced housing project, Suzhou Hemei Garden, was a key contributor to the Group’s revenue. Fixed price housing projects are government initiated public housing which command lower gross margin in nature. As a result, gross profit margin declined from 12.0% in 4Q2013 to 3.9% in 4Q2014. For the full-year, gross profit declined marginally by 7% from RMB199.2 million in FY2013 to RMB184.7 million in FY2014. Fixed price housing projects contributed approximately 58.7% of the Group’s total revenue in FY2014 as compared to approximately 10.7% of the Group’s total revenue in FY2013.

Owing to the increase revenue and gross profit contribution from fixed price housing projects, gross profit margin slipped from 12.2% in FY2013 to 8.3% in FY2014. In additions, projects (other than fixed price housing projects) sold in FY2014 had lower margins compared to those sold in FY2013.

The Group reported a net profit after tax of RMB102.6 million for 4Q2014 and RMB47.8 million for FY2014. Included in FY2014 results was a gain from change in fair value of investment properties amounting to RMB180.0 million as compared with a gain of RMB47.6 million in FY2013.

Gain from change in fair value of investment properties were 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 local property development market where Chiwayland Group's of investment properties are located. This gain was partially offset by one-off non-operating expenses consisting of (1) professional fees paid in 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 arising from the acquisition exercise of RMB51.07 million.

Excluding these one-off RTO related expenses, the Group would have reported net profit after tax of RMB153.4 million for FY2014, an increase of 30%.

Financial Position

The Group's net assets attributable to owners of the Company was RMB630.3 million as at 31 December 2014 as compared to RMB296.3 million as at 31 December 2013, mainly due to increases in investment properties, development properties (both under development and held for sale), financial assets held for trading, cash and cash equivalents as well as the issue of perpetual capital securities of S\$30 million. Based on the total number of issued shares of 666,851,006, this translates into a net asset value per share of RMB94.51 cents for the Group.

As at 31 December 2014, the Group's cash and cash equivalents balance increased to RMB1.1 billion, from RMB568.3 million as at 31 December 2013.

Commenting on the results, Mr. Qian Jianrong (钱建蓉), Executive Chairman and Chief Executive Officer of Chiwayland said, ***“Our full year results have been encouraging, despite the challenging real estate market in China, backed by our strategy of moving into fixed price housing in 2009. We believe the real estate sector is on a path towards stability, as the Chinese government introduces indirect measures to help homebuyers with their purchases. We are optimistic that with continued urbanisation and economic growth, demand for quality residential developments will remain healthy, and given our capabilities, we believe we are able to deliver quality real estate.”***

Business 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⁽¹⁾. Continued urbanization and the long-term economic growth of the PRC would also support demand for quality commercial and residential developments in the key cities. 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, demand for homes in major cities is expected to be healthy, supported by a stable economy, the low interest rate environment, demand from foreign investors and interstate migration. In August 2014, the Group established a joint venture in Brisbane to develop three projects. Located in the Brisbane suburbs, these projects will be residential developments with some commercial space. The Group continued to enhance its presence in Australia with the successful tender for a land site in Sydney during the fourth quarter of 2014. 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.

Added Mr. Qian Jianrong, ***“Our regional expansion plans are on track. We have made good progress in establishing a presence in Australia, with existing developments in the cities of Brisbane and Sydney. We remain focused on our long-term growth strategy and will continue to tap onto strategic opportunities to expand the business further, both locally and overseas.”***

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.

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This media release is to be read in conjunction with the Company's announcement posted on the SGX website on 01 March 2015.

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

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

About Chiwayland International Limited (SGXstock code: ACW)

Chiwayland International Limited (中锐地产国际股份有限公司), together with its subsidiaries (“Chiwayland” or the “Group”), is one of the leading property developers in the People’s Republic of China (the “PRC”).

Based on its core values of building “quality real estate and quality living”, the Group focuses on delivering a full suite of services ranging from real estate investment and development, township planning, project management as well as marketing and sales to building maintenance.

The Group has established a stellar track record in developing affordable quality residential and commercial properties in the PRC. The Group’s portfolio of property developments comprises residential and commercial properties, office buildings, education hubs, and fixed price housing spanning the heart of the Yangtze River Delta Region, including Shanghai, Suzhou, Wuxi, Xuzhou, Zhangjiagang and Xuancheng. To date, it has completed nine property developments with an aggregate sold and pre-sold gross floor area (“GFA”) exceeding 2.0 million square metres. It has completed several large and comprehensive real estate projects including Suzhou Xuefu Garden and Suzhou Landscape Garden.

Amid the various control measures on the property industry by the PRC Government, Chiwayland expanded into fixed price housing (“定销房”) in response to growing demand for such developments in 2009. This was also in line with the Group’s strategy to strengthen its property development business presence in the PRC. The unique features of these property developments such as lower land costs, certainty in customer base, and buy-back commitment by the government, reduce the Group’s exposure to market fluctuations. Currently, Chiwayland has three such developments, namely, Suzhou Herun Garden, Suzhou Hetai Garden and Suzhou Hemei Garden.

Chiwayland is one of the few established property developers that has a strong track record in developing educational institutions and education zone. The Group’s expertise in integrating education institutions with residential developments has developed its competitiveness in enhancing the value of its property developments.

Over the years, Chiwayland has won numerous awards and accolades in the PRC, including being ranked as one of the Top 100 Real Estate Development Enterprises in the PRC, which are testaments to the quality of its property developments.

Chiwayland is listed on the Mainboard of the SGX-ST via a reverse takeover of R H Energy Ltd.

For more information, please visit the company website at www.chiwayland.com

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