(Company Registration No.: 200610437K)

CWG posts pre-sales receipts[1] of RMB1.8 billion for 1QFY2017 as the Group scales up growth in China

- **Well-received launch of Nanjing Royal Lake Mansion, with another eight projects in China to be launched for the rest of the year to achieve RMB10.0 billion pre-sales receipts target**
- **Adopting a steady and disciplined approach towards land acquisition, while originating new projects through strategic partnerships with established Chinese developers and state-owned enterprises**
- **Circular for FMC was finalised with the SGX on 21 April 2017 for printing and circulation to the shareholders, a further step in its transformation to an integrated real estate player**

SINGAPORE, 9 May 2017 – SGX Mainboard-listed CWG International Ltd, together with its subsidiaries ("CWG" or the "Group"), announced today its financial results for the three-month period ended 31 March 2017 ("1QFY2017"), recording a 112% year-on-year ("yoy") increase in pre-sales receipts to RMB1.8 billion.

In line with the Group's strategy to scale up growth in China, pre-sales receipts for China increased 128.0% yoy to RMB1.6 billion (1QFY2016: RMB0.7 billion), with an increase of 68.0% yoy in pre-sales gross floor area ("GFA") of approximately 108,166 sqm. This translated to a higher average selling price ("ASP") for all pre-sales this quarter, RMB14,928/sqm (1QFY2016: RMB11,013/sqm). This was achieved despite the cooling measures since October 2016 as overall demand in second and third tier cities remains robust.

[1] Pre-sales receipts - 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.

Outside of China, pre-sales receipts for the Group's Australia projects also showed marked improvements, increasing 7.9% yoy to AUD25.8 million, with a total pre-sales GFA of approximately 2,038 sqm in 1QFY2017. The Group sold 33 units in 1QFY2017 from five of its Australia projects – Vivir, Illumina, Marine's Hill, Uptown and Stellar.

The international property developer reported a 61.0% yoy decrease in revenue to RMB317.1 million for 1QFY2017, as there were no major projects handed over. Notwithstanding the revenue decline, the Group continue to record better gross profit margin to 17.2% (1QFY2016: 7.7%).

As the Group prepares for more projects to be launched this year, ongoing selling and distribution expenses increased correspondingly by 155.0% yoy to RMB25.1 million, mainly in expenditure on sales and marketing activities. As a result, the Group recorded a net loss after tax attributable to owners of the Company of RMB30.6 million for 1QFY2017.

Current assets increased RMB382.8 million to RMB14.1 billion as at 31 March 2017 with more projects under development as the Group continues to scale up in China. Despite that, the Group's total debt decreased to RMB7.3 billion as at 31 March 2017 (31 December 2016: RMB8.1 billion) as its higher cost borrowings were repaid. The Group's gearing ratio correspondingly improved to 402.0% as of 31 March 2017 (31 December 2016: 410.0%).

Commenting on the results, **Mr Chua Hwee Song, the Group's Chief Financial Officer and Executive Director**:

"*We are pleased with the strong pre-sales receipts of RMB1.8 billion for this quarter despite the tightened regulations on the property market. The strong sales were broad-based, driven by our projects in both Tier-2 and Tier-3 cities. The sales of the Xuancheng projects were particularly strong, with more than 70% of Phase 4 District B sold within the last two quarters.*

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With another 10 projects scheduled for launch for the rest of the year, we are on track towards achieving the RMB10.0 billion pre-sales receipts target for FY2017.

We continue to pare down our debt by almost RMB800 million in the last quarter, and expect this to continue with healthy advanced receipts from our pre-sales. This couples with pa steady and disciplined approach towards acquiring new projects, where we avoid aggressive bidding at land auctions.

With greater confidence and interests shown in our company by investors, as can be seen from our share price performance, we are actively exploring options to improve our capital structure, and to reduce our financing cost."

On the Group's outlook, **Mr. Qian Jianrong, Executive Chairman and CEO of CWG International Limited**, remarked:

"*For FY2017, we will focus on two key growth pillars - scaling up in China and expanding our fund management business beyond China.*

With the benefit of seeing how the market has responded since the cooling measures in October 2016, we continue to believe that China remains a market that offers growth opportunities as the underlying demand for properties is expected to be sustained by higher net urbanisation and a dynamic economy. Favourable demand and supply dynamics in higher-tier cities that have less than six months of inventory will also continue to drive housing price growth[2]*. Against this backdrop, we look to expand our presence in China to new growth cities, which include Changsha and Chengdu, by the end of the year.*

[2] "China's land supply measures to have mixed effect on developers: report", Shanghai Daily, 13 April 2017

However, as cooling measures continue to tighten, we will exercise prudence in land auctions amid the strong competition for land. Our principal effort to originate new projects, will be through joint-venture with other established developers and collaborations with state-owned enterprises ("SOE") that have existing land banks."

To this end, the Group has acquired a 60.0% stake in Suzhou Xinglun Tourism Co., Ltd. from the Singapore Suzhou Industrial Park ("SIP"), which owns the iconic Suzhou Ferris Wheel Theme Park, for RMB197.2 Million. Post-acquisition, the Group will own two plots of land with a total GFA of 75,797 sqm that will eventually sit a landmark integrated development in Suzhou comprising serviced apartments, premium residential units and retail space.

A strategic partnership with SOE Shanghai Lingang Economic Development (Group) Co Ltd, the third largest industrial park developer in China, was also forged in April 2017 with a Memorandum of Understanding to explore potential joint venture collaborations. In addition, the Group has also entered into a joint venture with Modern Land (China) Co., Limited, to develop a residential project in Wuhan.

Mr Qian added, "*Beyond China, we are also heartened with the progress of the expansion of our internationalisation footprint and our efforts to transform into an integrated property player with a diversified stream of revenue and earnings.*

Demand for the Group's projects in Sydney remains healthy as evidenced from the strong pre-sales in the last quarter. In the United States, the uptrend of the housing prices is expected to hold as the economy continues to see sustained growth which will translate into demand for real estate, especially in Dallas where we are reviewing projects.

In terms of investment property holding, we will expand our portfolio of educational assets in China. We are currently developing two Overseas Chinese Academy in Suzhou and Wuxi,

with the former expected to complete by the end of 2017. The target is to add two new schools every year until 2020. In the meantime, the educational assets across the broader Chiway Group are also being reorganised into a single investment holding platform under the Group. We aim to finalise this reorganisation as soon as new laws regulating the education sector are fully promulgated."

In the last quarter, the company also took a step forward to expand its FMC business. The circular for the purpose of obtaining shareholders' approval to expand the Group's fund and asset management business was finalised with the Singapore Exchange on 21 April 2017 for printing and circulation to the shareholders. The Company will seek shareholder's approval at an Extraordinary General Meeting to be convened at a date to be announced soon.

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ABOUT CWG INTERNATIONAL LIMITED

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

CWG International Ltd. ("CWG" or "the Group") is an international real estate group with businesses that include real estate investment and development, fund and asset management, spanning across Singapore, Australia, the United States ("U.S.") and China. The Group was established in 2002 and grew rapidly to be listed on the Mainboard of the Singapore Exchange in 2014 (SGX: ACW).

The Group has an established track record in developing quality residential and commercial properties and to date, has successfully delivered a total saleable gross floor area ("GFA") exceeding 2.75 million square metres ("sqm") over 30 projects in China and one project in Australia. The Group's portfolio also includes education facilities such as campuses and international schools.

Since 2014, the Group has embarked on an internationalisation strategy to diversify its property development business across different markets, and has since expanded to Australia with the successful handover of its first overseas project, Vivir in Brisbane, in 2016. In the U.S., CWG marked its maiden foray in 2016 with a mixed development project in Los Angeles ("L.A."), California, comprising retail, hotel and residential units. Within China, CWG is ranked as one of the Top 100 Real Estate

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Development Enterprises, with property projects spanning across the heart of the Yangtze River Delta Region, including Shanghai, Suzhou, Nanjing and Wuhan.

In the fund and asset management business, CWG seeks to generate recurring income streams from both management fees and property rental, with a key focus on educational assets. This will provide earnings stability to the Group, and more importantly, accelerate its growth using capital from its fund management business. To date, its subsidiary Richmont Capital has successfully raised eight funds with total assets under management in excess of USD100 million, that have been applied to the Group's projects.

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

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