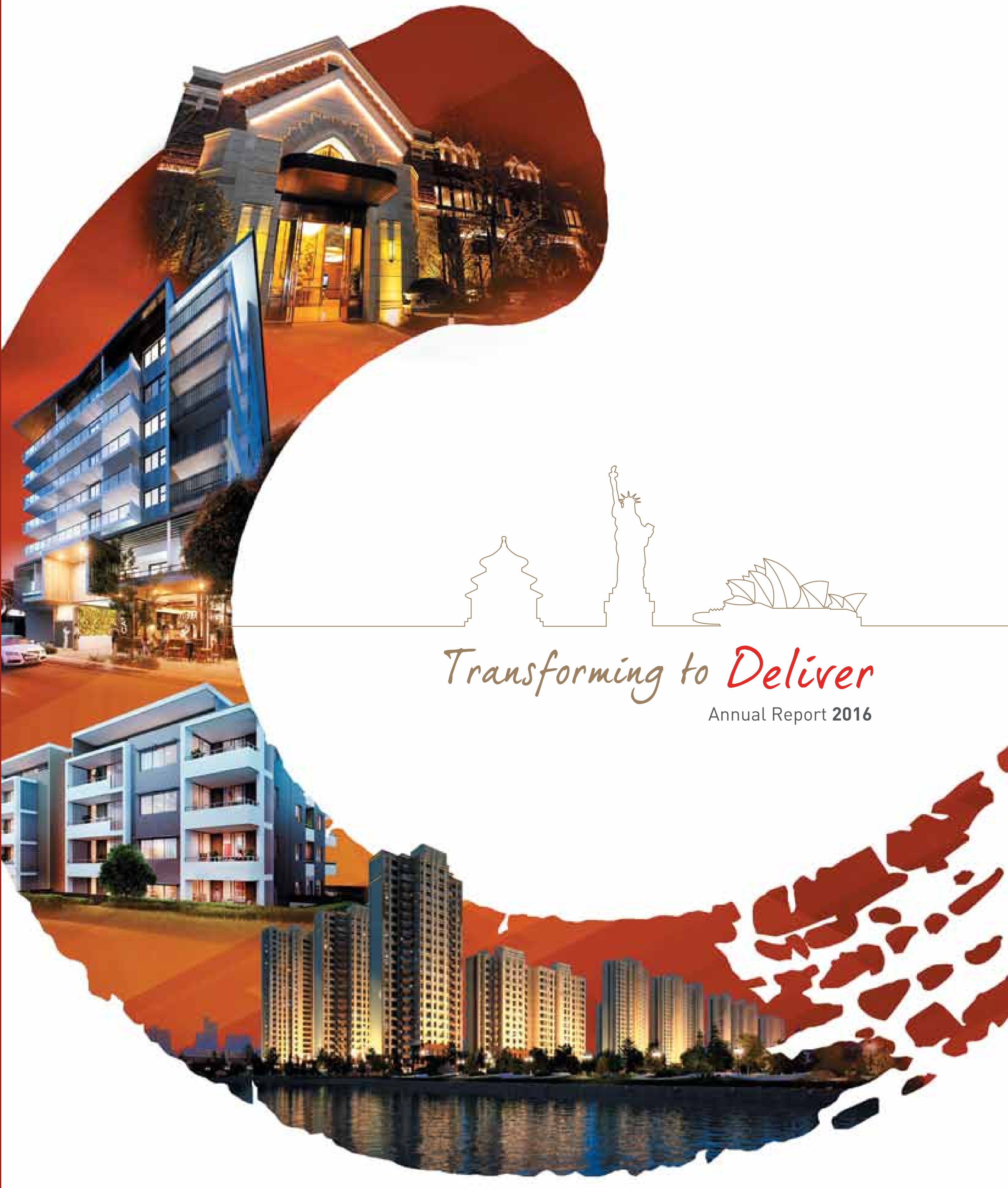


Transforming to Deliver

Annual Report **2016**

CWG International Ltd.

COMMITTED TO BUILDING

QUALITY REAL ESTATE AND QUALITY LIVING

CONTENTS

CORPORATE PROFILE

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 2.7 million square metres ("sqm") over 28 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 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.

TIMELINE 2016

MAY

Entered Los Angeles, U.S.

JUNE

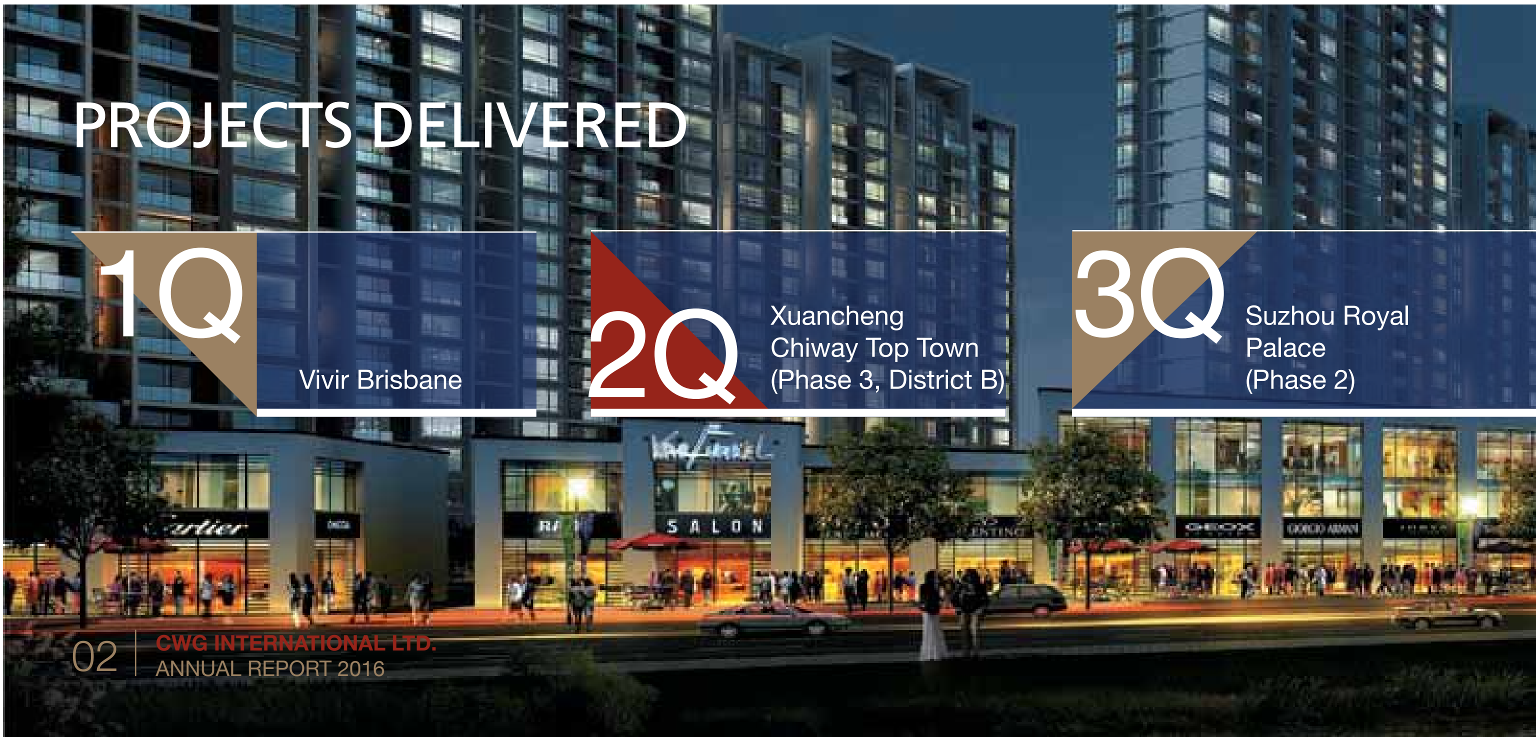
Proposed geographical expansion and share buyback mandate

JULY

Proposed name change

AUGUST

Restructured board committee



PROJECTS DELIVERED

1Q Vivir Brisbane

2Q Xuancheng Chiway Top Town (Phase 3, District B)

3Q Suzhou Royal Palace (Phase 2)

Proposed expansion of fund management business

Received shareholders' approval for geographical expansion and share buyback mandate

Renamed CWG International Ltd.

Lauched new corporate website

Adopted dividend policy

NOVEMBER

DECEMBER

Removed from SGX watch-list

Commenced share buyback

4Q

Xuancheng Chiway Top Town (Phase 2, District D)

Suzhou Royal Palace (Phase 3)

Suzhou Industrial Park Royal Mansion (Phase 1)

PROPERTY PORTFOLIO

China

In China, CWG's properties span across the heart of the Yangtze Delta Region, including Shanghai, Suzhou and Nanjing. To date, the Group has completed 28 property developments with total saleable GFA exceeding 2.7 million sqm.

PROJECTS DELIVERED IN 2016

Suzhou Royal Palace (Phases 2 and 3)

Suzhou Royal Palace is located in the centre of Pingjiang New Town in Suzhou, within walking distance of Wanda Plaza and next to the administrative seat of Gusu District, the main urban district in Suzhou.

Covering a total construction planning area of over 250,000 sqm, the project consists of high-rise apartments with ancillary commercial and retail facilities. Suzhou Royal Palace's grand double-storey atrium opens into a 600-metre landscaped garden axis that is flanked by towering geometric Art Deco monoliths. The project won the title "2013 China Real Estate Innovation Model".

Suzhou Industrial Park Royal Mansion (Phase 1)

Located in the centre of Hudong, Suzhou Industrial Park Royal Mansion is designed and modelled after German smart homes. The project utilises five state-of-the-art architectural technological systems: centralised ventilation, same-floor wastewater discharge, floor heating, centre-mounted sunshade windows and air source heat pumps. Suzhou Industrial Park Royal Mansion redefines Hudong's quality lifestyle by incorporating exquisite interiors with premium international brands. The project features residences with a total gross floor area of 220,000 sqm surrounded by green foliage with views of two natural lake shores. It has convenient access to various transportation amenities and is within close proximity to mature commercial & retail hubs as well as elite schools. The project won the title "China's Best Real Estate Model of 2014".

Xuancheng Chiway Top Town (Phase 2, District D and Phase 3, District B)

Xuancheng Chiway Top Town is located next to the Wanxi River and Crocodile Lake scenic areas. The landscape around the residential area is maximised by taking advantage of the surrounding natural habitat, creating a multi-layered ecological community. The project has won awards such as the "2012 China Top Ten Green Livable Boutique Real Estate" and "China Real Estate Habitat Environment Best Practice Gold Prize".

PROJECTS TO BE DELIVERED IN 2017

Suzhou Chiway Prime Palace

Suzhou Chiway Prime Palace is located in the central region of Xiangcheng District, Suzhou. It is one block away from the financial centre and has convenient access to commercial & retail facilities as well as public transportation amenities. With a total gross floor area of 99,000 sqm, the project consists of four to five-storey villas overlaid with brownstone. Suzhou Chiway Prime Palace provides a superior and world-class residential experience and seeks to be a top notch low-density residential complex in the central area of Xiangcheng District.

Shanghai Royal Palace (Phase 3)

Shanghai Royal Palace is located in the core commercial area of Jinshan District, close to the district executive business centre. It is a mixed development comprising a central upscale residential community and commercial units.

Suzhou Industrial Park Royal Mansion (Phase 2)

Xuzhou Royal Palace (Block C, Phase 2)

Xuzhou Royal Palace is located in the Science and Education Industrial Park, home to a number of high-end education brands. The international education living blocks span 800,000 sqm and are mainly catered to high-level innovatve projects. The project has won the title “China’s Most Influential Real Estate” in 2013.

Xuancheng Chiway Top Town (Phase 3, District C)

PROPERTY PORTFOLIO

Australia

CWG embarked on its internationalisation strategy and expanded into Australia in 2014. The Group currently has two projects in Brisbane and five projects in Sydney.

PROJECTS DELIVERED IN 2016

Vivir @ Nundah, Brisbane

Vivir comprises one well-decorated multi-tier boutique city apartment building with elevators and 54 stylish one, two and three bedroom apartments. Located in the core area of Nundah Living Center, Vivir is one of Nundah Village's most exciting new opportunities for exclusive living, within close proximity to Brisbane's central business district ("CBD"). As one of the emerging regions of Brisbane, Nundah is only 8 kilometers away from the CBD and a 7-minute drive away from Brisbane Airport. The Nundah Living Center consists of integrated office, shopping, leisure and entertainment facilities. Positioned at the axis of the golden employment triangle-between the CBD, Port of Brisbane and Brisbane Airport. Vivir offers an array of lifestyle amenities and extensive transport links.

PROJECTS TO BE DELIVERED IN 2017

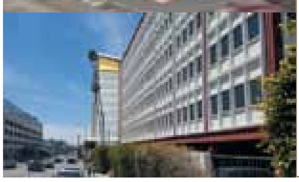


Uptown @ Roseville, Sydney

Uptown comprises six multi-storey apartment blocks with a total of 220 boutique units with elevators. It offers a new luxurious and contemporary lifestyle option within a serene and peaceful environment and is located in the heart of Roseville, one of Australia's most affluent suburbs. It is located in North Shore Sydney and characterised by well-manicured gardens and the picturesque colonial-style architecture that was prevalent in Australia at the beginning of the previous century.

U.S.

CWG made its maiden foray into the U.S. in 2016 with a mixed development project in Los Angeles, California, comprising retail, hotel and residential units.

Boutique Hotels & Apartments @ L.A.

Boutique Hotels & Apartments is a mixed development project comprising retail, hotel and residential units. It is located west of Downtown and south of Hollywood, the most densely populated area in L.A. with a 24-hour entertainment scene and vibrant cultural diversity. The project is a 10-minute drive to Downtown situated at a prime location in Koreatown and strategically located in the centre of Mid-Wilshire. It is surrounded by subway stations, post offices, supermarkets, fitness centers, schools, restaurants, cafes, cinemas and other facilities, making it a focal point for education, shopping, dining, leisure, entertainment and other social activities.

PROPERTY PORTFOLIO

Property Development

Residential and Commercial Properties	Site Area (sqm)	Approximate Saleable Gross Floor Area (sqm)	Effective Group Interest (%)	Year Completed/ Expected Year of Completion
CHINA				
Suzhou Herun Garden (苏州中锐和润家园) is a mixed development comprising seven commercial units and 930 residential units. **SUZHOU JIACHENG DEVELOPMENT CO., LTD**	49,898	100,428	45.5	2011
Wuxi Chiway Artdeco Garden (无锡中锐海尚映象) is a mixed development comprising 35 commercial units and 1,327 residential units. **WUXI CHIWAY REAL ESTATE DEVELOPMENT CO., LTD**	84,112	157,741	100.0	2009-2012
Suzhou Hetai Garden (苏州中锐和泰家园) is a mixed development comprising eight commercial units and 2,678 residential units. **SUZHOU CHIWAY JIARUN REAL ESTATE CO., LTD**	115,293	271,805	84.7	2012-2014
Suzhou Hemei Garden (苏州中锐和美家园) is a mixed development comprising 2,650 sqm of commercial space and 2,760 residential units. **SUZHOU GAOXIN CHIWAY TECH-EDU DEVELOPMENT CO., LTD**	92,572	215,174	70.0	2014
Wuxi Chiway Regent Town (无锡中锐瑞城国际) comprising 94 commercial units and 2,071 residential units. **WUXI CHIWAY REAL ESTATE CO., LTD**	125,611	280,636	100.0	2008-2013
Suzhou Industrial Park Royal Mansion (苏州星公元名邸) is a residential development with 1,190 units of apartments. **SUZHOU CHIWAY SHANGCHENG REAL ESTATE CO., LTD**	Phase 1: 67,773 Phase 2: 29,326 Total: 97,099	120,784 43,360 164,144	60.0	2016 2017
Shanghai Royal Palace (上海中锐龙湾一号) is a mixed development comprising 48,780 sqm of commercial space and 734 residential units. **SHANGHAI CHIWAY REAL ESTATE CO., LTD**	Phase 1: 34,464 Phase 2: 41,294 Phase 3: 24,390 Total: 100,148	36,981 52,911 37,764 127,656	100.0	2010 2013 2017
Suzhou Royal Palace (苏州中锐尚城花园) is a mixed development comprising 9,213 sqm of commercial space and 1,565 residential units. **SUZHOU CHIWAY JINHUI REAL ESTATE CO., LTD**	Phase 1: 31,886 Phase 2: 21,476 Phase 3: 20,079 Total: 73,441	88,714 54,063 55,125 197,903	75.0	2015 2016 2016
Xuancheng Chiway Top Town (宣城中锐第一城) is a mixed development comprising 31,419 sqm of commercial space and 5,181 residential units. **XUANCHENG CHIWAYLAND CO., LTD**	Phase 1: 53,824 Phase 2: 60,417 Phase 3: 63,618 Phase 4: 52,414 Total: 230,273	109,972 97,834 192,464 150,891 551,161	100.0	2014 2014-2016 2015-2017 2018
Xuzhou Royal Palace (徐州中锐星尚城) is a mixed development comprising educational facilities, commercial and residential units. **XUZHOU CHIWAY CONSTRUCTION CO., LTD**	Phase 1: 55,123 Phase 2: 49,470 Phase 3: 42,800 Phase 4: 36,726 Total: 184,119	115,238 117,533 124,838 37,453 395,062	80.0	2015 2017 2018 2019

Residential and Commercial Properties	Site Area (sqm)	Approximate Saleable Gross Floor Area (sqm)	Effective Group Interest (%)	Year Completed/ Expected Year of Completion
Zhangjiagang Royal Palace (张家港中锐尚城国际) is a residential development with 932 units. **ZHANGJIAGANG CHIWAY REAL ESTATE CO., LTD**	Phase 1: 32,115 Phase 2: 35,000 Total: 67,115	62,364 57,958 120,322	100.0	2013 2015
Suzhou Chiway Star Hub (苏州中锐星汇生活广场) is a mixed development comprising commercial and residential units. **SUZHOU XINGSHANG TIANDI REAL ESTATE CO., LTD**	19,110	20,037	55.0	2018
Suzhou Chiway Prime Palace (苏州中锐琅石名筑) is a residential development. **SUZHOU CHIWAY HUAYUAN REAL ESTATE CO., LTD**	46,814	54,501	75.0	2017
Suzhou Chiway Royal Paradise Bay (苏州中锐星奕湾花园) is a residential development. **SUZHOU CHIWAY SHANGHONG REAL ESTATE CO., LTD**	24,200	42,365	57.0	2018
Nanjing Royal Lake Mansion (南京中锐星湖名邸) is a mixed development comprising residential and commercial units. **NANJING CHIWAY HONGRUN REAL ESTATE CO., LTD**	14,185	41,884	60.0	2019
Suzhou Bliss Harbour (苏州中锐星悦湾名苑) is a mixed development, comprising of residential, commercial units and hotel. **SUZHOU CHIWAY HENGTANG REAL ESTATE CO., LTD**	32,270	67,012	26.4	2018
Zhangjiagang Chiway Royal Paradise Bay (张家港中锐星奕湾) is a mixed development comprising residential, commercial units and a hotel. **ZHANGJIAGANG CHIWAY WANHONG REAL ESTATE CO., LTD**	34,183	74,323	57.0	2019
Xuzhou Starmall Plaza (徐州中锐星尚天地) is commercial development. **XUZHOU HUARUI TECH-EDU DEVELOPMENT CO., LTD**	Phase 1: 21,555 Phase 2-4: 39,870 Total: 61,425	27,249 49,974 77,223	100.0	2017 2019
Wuhan Chiway MOMA Royal Palace (武汉当代中锐万国府 MOMA) is a mixed development comprising residential and commercial units. **WUHAN MOMA SHANGCHENG WANGGUOFU REAL ESTATE CO., LTD**	13,270	37,559	26.5	2018
Wuhan Chiway Lakeside Palace (武汉中锐滨湖尚城) is a mixed development comprising residential and commercial units. **WUHAN CHIWAY REAL ESTATE CO., LTD**	83,468	170,920	60.0	2019
Suzhou Ferris Wheel Amusement Park project is a mixed development comprising residential, commercial units and a amusement park. **SUZHOU XINGLUN TOURISM INDUSTRY CO., LTD.**	30,931	24,490	60.0	2019
Wuxi Chiway Prime Palace (无锡中锐琅石名筑) is a residential project. **WUXI TAIHU NEW CITY CHIWAY REAL ESTATE CO., LTD.**	11,782	13,768	26.4	2018
Wuxi Industrial Park Royal Mansion (无锡中锐星公元名邸) is a residential project. **WUXI CHIWAY HUAKE REAL ESTATE CO., LTD.**	73,500	Phase 1: 70,466 Phase 2: 34,960 Phase 3: 72,089 Total: 177,515	60.0	2019

PROPERTY PORTFOLIO

Property Development

Residential and Commercial Properties	Site Area (sqm)	Approximate Saleable Gross Floor Area (sqm)	Effective Group Interest (%)	Year Completed/ Expected Year of Completion
AUSTRALIA				
Vivir comprises 54 residential units and one commercial unit located in Brisbane.	1,215	3,396	50.0	2016
Illumina comprises 221 residential units and three commercial units located in Brisbane.	2,200	16,151	50.0	2017
Uptown comprises 220 residential units located in Roseville, Sydney.	13,693	16,249	60.0	2016
The Peak located at Parramatta, Sydney is a residential development.	2,878	22,900	75.8	2018
Marine's Hill comprises 90 residential units located in Epping, Sydney.	4,424	6,198	100.0	2017
Stellar comprises 95 residential units located in Ryde, Sydney.	2,980	6,673	60.0	2018
Lapointe comprises 758 residential units located in Penrith, Sydney.	114,270	Townhouses: 40,325 Apartments: 25,888	100.0	2020/2021
U.S.				
Boutique Hotels & Apartments is a mixed development project comprising residential, hotel and retail units located in Mid-Wilshire, Los Angeles.	3,213	18,972	50.0	2020

Investment Properties

Residential and Commercial Properties	Site Area (sqm)	Approximate Saleable/ Rentable Gross Floor Area (sqm)	Effective Group Interest (%)	Year Completed/ Expected Year of Completion
Retail portion of Suzhou Hemei Garden (苏州中锐和美家园) comprises 2,650 sqm of commercial space. **SUZHOU GAOXIN CHIWAY TECH-EDU DEVELOPMENT CO., LTD**	--	2,650	70.0	2014
Wuxi Chiway Regent Town (无锡中锐瑞城国际) comprises 12 retail units. **WUXI CHIWAY REAL ESTATE CO., LTD**	--	2,156	100.0	2009
Suzhou Fortune Innovation Centre (苏州中锐汇金科创中心) is a commercial-cum-office development, comprising 78,409 sqm of commercial space and office buildings. **SUZHOU GAOXIN CHIWAY TECH-EDU DEVELOPMENT CO., LTD**	Phase 1: 7,468 Phase 2: 14,209 Phase 3: 7,986 Phase 4: 18,947 Total: 48,610	7,683 17,744 8,455 44,527 78,409	70.0	2010 2013 2013 2018
Retail portion of Phase 2 of Suzhou Royal Palace (苏州中锐尚城花园) comprises 5,473 sqm of retail space. **SUZHOU CHIWAY JINHUI REAL ESTATE CO., LTD**	--	5,473	75.0	2016
Eton House International School (Wuxi) (无锡伊顿国际学校) comprises three buildings of educational facilities with a total gross floor area of 7,269 sqm. **WUXI CHIWAY REAL ESTATE CO., LTD**	8,293	7,269	100.0	2008
Overseas Chinese Academy Wuxi (无锡海归人才子女学校) is a school with a total gross floor area of 24,312 sqm. **WUXI CHIWAY REAL ESTATE CO., LTD**	23,287	24,312	100.0	2018
Wuxi Chiway Regent Town Community Center (无锡中锐瑞城国际邻里商业中心) is a four-storey commercial building. **WUXI CHIWAY REAL ESTATE CO., LTD**	8,420	7,397	100.0	2008
Building SY1# of Xuancheng Chiway Top Town (宣城中锐第一城) comprises 5,708 sqm of commercial space. **XUANCHENG CHIWAYLAND CO., LTD**	6,578	5,708	100.0	2014
Xuzhou Training Centre is a mixed educational facility including a kindergarten (Etonhouse International School, Xuzhou) (徐州伊顿幼儿园) and an international school (Xuzhou Whalton International School) (徐州华顿国际学校). **XUZHOU HUARUI TECH-EDV DEVELOPMENT CO., LTD**	60,710	105,576	100.0	2014
Retail portion of Suzhou Chiway Star Hub (苏州中锐星汇生活广场) comprises 27,740 sqm of commercial space. **SUZHOU XINGSHANG TIANDI REAL ESTATE CO., LTD**	--	27,740	55.0	2018
Retail and hotel portion of Suzhou Bliss Harbour (苏州中锐星悦湾名苑) comprises 15,048 sqm of commercial space. **SUZHOU CHIWAY HENGTANG REAL ESTATE CO., LTD**	--	15,048	57.0	2018
Overseas Chinese Academy Suzhou (苏州工业园区海归人才子女学校) is an international school with a total gross floor area of 52,442 sqm. **SUZHOU RUIXIN INVESTMENT CO., LTD.**	--	52,158	65.0	2017
Suzhou Ferris Wheel Amusement Park project is a mixed development comprising residential, commercial units and a amusement park. **SUZHOU XINGLUN TOURISM INDUSTRY CO., LTD.**	62,112	51,307	60.0	2019

CHAIRMAN'S MESSAGE

WE ARE A FAST-GROWING COMPANY AND WE TRUST THAT AS WE EXPAND OUR CAPITAL BASE AND DELIVER ON OUR GROWTH STRATEGY, RETAIL AND INSTITUTIONAL INVESTORS ALIKE WILL COME TO RECOGNISE OUR INVESTMENT MERITS.

Dear Shareholders,

Almost two years ago, we embarked on a journey to transform ourselves into an integrated international real estate player. We believe that it was important to diversify our development business across different markets with varying real estate cycles to achieve earnings stability and seek other growth engines to build a recurring income base. Taking stock of the progress we have achieved in 2016, we made significant headway to internationalise our business, delivered profitability and created a new set of opportunities with our fund management platform.

Corporate Transformation

To cement our position as an international property developer, we made a strategic decision to diversify our real estate business into new geographies and seek new opportunities in North America, Western Europe and Asia. Setting our sights abroad, we unveiled a new corporate identity with a name change to CWG International Ltd. to better reflect our international stature. This was just one of the many initiatives that we introduced as we navigated our corporate transformation journey.

As part of our efforts to strengthen the Group's corporate governance, we established a new Investment Committee and Corporate Disclosure Committee. 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 former president of the Law Society of Singapore, while Mr. Lai is the Managing Director of RSP Architects Planners & Engineering.

With an aim of achieving a fair valuation for the Group, we adopted a structured investor relations programme to improve our engagement with the financial community. This involves providing investors with an accurate and transparent perspective of our business model and operations. Besides ongoing communication with shareholders, we proactively engaged institutional investors and independent sell-side research analysts. Such initiatives included hosting a site visit to our property projects in China, conducting quarterly results briefings and partnering with local brokerages to participate in non-deal roadshows to reach out to more investors. Coupled with a proactive media campaign, we consistently communicated positive corporate updates to the market via mainstream and online media, which led to improved transparency and enhanced awareness.

As part of our committed efforts to improve our corporate image, we also launched our new website (www.cwginternational.com) in November 2016. The revamped corporate website offers quick access to up-to-date information, and easy navigation to our property projects via an interactive design with the objective of helping our stakeholders to better appreciate our business.

It is encouraging to have our investor relations efforts being recognised as we clinched the Merit Award for Best Investor Relations Programme by the Institute of Public Relations of Singapore ("IPRS") Public Relations In the Service of Mankind ("PRISM") Awards 2017. The biennial award recognises excellence in communications programme directed at stakeholders of the investment community.

Delivering Economic and Shareholder Value

Amid volatile economic conditions, we delivered a record-breaking set of results for the full year ended 31 December 2016 ("FY2016"), a reflection of the team's strong operational and execution abilities. Revenue for FY2016 rose to RMB4.8 billion driven by higher selling prices of the Group's Suzhou Industrial Park Royal Mansion and Suzhou Royal Palace projects. As a result, the Group's Profit after Tax attributable to Owners of the Company surged 210.0% year-on-year ("yoy") to RMB116.7 million.

We also achieved respectable pre-sales amounting RMB4.6 billion for our ongoing projects in China and Australia. Despite the cooling measures imposed by local governments throughout China in 4Q2016, pre-sales GFA for the Group's China projects, increased 15.0% yoy to approximately 435,119 sqm in FY2016 with an aggregate consideration of RMB4.3 billion. Our Australia projects – Illumina, Marine's Hill, Uptown and Stellar - were also pre-sold with a total aggregate consideration of AUD60.0 million (RMB300.0 million) in FY2016.

As part of our long-term strategy to maximise shareholder value, we adopted a new dividend policy with a base payout of S$0.01/share annually. In view of the Group's strong financial performance, the Board of Directors has proposed an inaugural tax exempt (one-tier) final cash dividend of S$0.01/share for FY2016. The proposed dividend translates to a payout ratio of 27.2%.

We are pleased to share that our commitment to build credibility and trust among the Singapore's investment community thus far have started to bear fruit. Alongside our delivery of record revenue and profitability for FY2016, timely communication of our corporate developments have also contributed to the overall share price appreciation.

CHAIRMAN'S MESSAGE

Looking Ahead - Local Touch and Global Reach

While the property market is showing signs of cooling in the China market, bright spots remain in good first and second tier cities. The underlying demand for housing is driven by sustained urbanisation and upgrading demand as a result of increasing affluence. Therefore, we remain positive about the China property market over the medium to long term. We have earmarked "Scaling within China" as a key focus for 2017 to tap on growth in cities that we have identified. With a disciplined land acquisition strategy, we have set out to achieve a target of RMB10.0 billion in advanced receipts in 2017 and RMB40.0 billion by 2021.

Besides organic growth, we will explore ways to grow inorganically amid increasing merger and acquisition activities in China's real estate market. With the top 20 Chinese real estate developers sharing a substantial portion of China's property market, we believe that consolidation is inevitable as the bigger players possess advantages in land acquisitions, financing, marketing and pricing power. Apart from targeting our peers, we are also prospecting for other players within the real estate value chain to unlock synergies.

Beyond China, the steps we took to transform into an international real estate player are increasingly paying off, evident from our success in the Australia market. Having made inroads in Australia since 2014, we successfully delivered our inaugural project, Vivir @ Brisbane, during the first half of 2016. This emboldens our initiatives undertaken in Australia thus far as we recycled our initial invested capital. At present, we have seven ongoing projects in the country and intend to prudently prospect land bank opportunities. Adopting an incremental approach to undertake projects in new geographies, we progressed from the participation in joint ventures ("JVs") to fully undertaking property development projects on our own. This is possible given the scale and capabilities of the team we have on site as we seek to be a truly localised developer.

Demand for our projects in Sydney remains healthy, backed by continued population growth from favourable immigration policies. We believe that our strategy to target local buyers in the suburbs, such as Paramatta and Penrith, would continue to lend support for our growth in Australia. Following shareholders' approval on the geographical expansion of our real estate business in November 2016, we pushed ahead with expanding our international presence and look to diversify into developed markets such as Australia, U.S. and the Western Europe. These markets are mature, stable and undergirded with a strong legal framework with good transparency. To this end, we made our foray into the U.S. property market to develop a premium residential and hotel project in Mid-Wilshire, Los Angeles (L.A.), through a 50:50 JV with Urban Comms, LLC. The U.S. economy continues to see sustained growth translating into demand for real estate, especially in states that are attracting strong investments with competitive tax regimes. We expect this uptrend to hold steady, despite potential policy uncertainties from the Trump Administration, due to high consumer confidence and low unemployment rate. With a focus on projects in Los Angeles and Dallas, we aim to transform our U.S. operations into a capital-light, fee-earning business through General Partner/Limited Partner fund structures, leveraging on external funds to finance our future projects.

Outside of the U.S., we continue to explore opportunities in markets with similar characteristics that will allow our development expertise to create value for our company as well as the local community.

The Transformation Continues

Transformation is a journey in which new opportunities emerge. Beyond property development, we have identified other growth engines, such as opportunities in investment properties and asset management to build a base of recurring income through rental and management fees. Leveraging on our strengths in the education field, we plan to expand our education infrastructure business segment. The expansion of our fund management business beyond China will allow us to pursue these opportunities and undertake projects in other segments. This would accelerate our transformation into an integrated international property player.

It heartens me to report that our fund management subsidiary, Richmont Capital, which was incorporated in April 2015, has recently launched its second overseas real estate investment opportunity fund of US$20.0 million. Richmont Capital presently manages eight fund products with Assets Under Management in excess of US$100.0 million. The proceeds of four of these funds are to be utilised for our international expansion. This success marks a significant progress in our ongoing transformation journey into an integrated property player.

As we pursue sustainable growth for the Group in the years to come, we believe that investing in human capital is crucial. We will continue to invest in experienced talents with the right market knowledge to expand our execution team in our key markets, to deliver a better scorecard.

We are a fast-growing company and we trust that as we expand our capital base and deliver on our growth strategy, retail and institutional investors alike will come to recognise our investment merits. Having made significant headway in our internationalisation strategy and backed by a proven business strategy, we believe that we are well positioned for the journey ahead.

Appreciation

The Board wishes to express its sincere appreciation to Mr. Poh Chee Kuan who has retired as an Independent Director of the Company as well as Mr. Li Bin who served as Executive Director of the Company, for their past contributions and services during their tenure. Mr. Li continues to play a key role in the management team as the President and Chief Operating Officer of the Company. At the same time, we also warmly welcome our new directors who bring to the Board a wealth of experience and diverse insights, namely Independent Director, Mr. Thio Shen Yi and Independent Director, Mr. Lai Huen Poh. In addition, we also welcome onboard our new Chief Financial Officer and Executive Director, Mr. Chua Hwee Song. We are confident of the capabilities and expertise that our diversified board composition brings to the Group. This will strengthen our corporate governance to safeguard shareholders' interests and also play a pivotal role to help us achieve our growth targets.

As we close the year, I would like to express my appreciation to the Board, our leadership team, and our employees. Your commitment, belief, and dedication have enabled us to forge ahead to achieve our success today. Thank you to our shareholders, who have been a part of our growth story along with us, for believing in us and for your vote of confidence. We are excited about the year ahead, and look forward to taking on greater challenges together as we work towards sustainable long-term growth.

Yours sincerely,

Qian Jianrong

Executive Chairman & Chief Executive Officer
March 2017

主席致辞

尊敬的各位股东：

大约两年前，我们开启了转型为综合性国际地产商的旅程。我们认为，在不同地区的市场，房地产周期差异明显，因此，业务多元化的发展策略是获取稳定收益，以及寻求并创造可续性收益至关重要的因素。回顾我们全年在业务领域的进展，我很庆幸我们取得重大突破，集团的国际化战略已开始步入正轨。在此进程中，公司不仅获得了盈利，还通过我们基金管理平台创造了新的机遇。

企业转型之旅

为扩大我们国际房地产开发的规模，我们制定了地产业务地域扩张的一系列战略，在北美，西欧和亚洲寻求新机遇。为更好地融合于海外市场，我们将企业更名为CWG International Ltd.，打造出一个全新的国际企业形象。然而，这仅是我们2016年制定的一系列企业转型举措之一。

作为完善公司管理的一部分，我们新成立了投资委员会和企业信息披露委员会。并且，董事会在委任了两位新的独立董事张正义先生和黎显宝先生之后进行了重组。张正义先生是义正律师事务所的创始合伙人以及新加坡律师协会的前任主席；黎显宝先生任RSP建筑规划及工程有限公司的常务董事。

为了达到公允价值，我们精心制订并积极实施投资者关系计划，为我们的投资者及股东们全面准确地提供公司的商业模式和运营情况，提高了我们在金融界的参与度。我们还积极与机构投资者及独立的卖方研究分析师保持联络；组织分析师实地考察中国市场和业务；每季度编制和提报业绩简报；与当地经纪公司联合举办非交易性路演以吸引更多的投资者等。同时，通过主流网络媒体的积极宣传，不断向市场更新正面消息，企业治理的透明度和媒体覆盖率得到明显改善。

作为提高企业形象策略的一部分，我们在2016年11月推出了全新的公司网站(www.cwginternational.com)。新的网站采用交互式设计和清晰易找的网站检索指引，为用户提供了了解公司最新信息的快速通道，相信这也有助于投资者更加方便地深入了解我们的业务。

鼓舞人心的是，我们在投资者关系方面做出的努力得到了新加坡公共关系协会的认可，并授予我们2017年“最佳投资者关系奖项”的“优秀奖”。这个每两年颁发一次的奖项，是对投资界利益相关者在信息传递渠道建设中做出的卓越贡献所给予的认可与奖励。

实现经济和股东价值

面对复杂多变的经济、政策环境，我们在2016年实现了历史上最好的财务业绩。我们管理团队的管理能力和执行能力也有了明显的提高。2016年集团的全年收入上升至人民币48亿元，税后归属于母公司净利润同比飙涨210.0%至人民币1.167亿元。

集团位于苏州的项目星公元名邸和尚城花园均以较高的价格售出。同时，集团位于中国和澳大利亚在建项目的预售也达到了人民币46亿元。尽管中国各地方政府在2016年第四季度采取了房地产收紧政策，中国项目的预售面积同比仍然增长15.0%，约达到435,119平方米，预售总额为人民币43亿元。我们的澳大利亚项目—Illumina, Marine's Hill, Uptown和Stellar在2016年同样实现了高达澳币6000万元的预售总额（约合人民币3亿元）。

我们坚持把实现股东价值最大化视为长期战略目标，因此我们实施了红利政策。根据集团优异的财政绩效，董事会提议在2016年支付每股新币0.01元的末期股息，派息率为27.2%。

迄今为止，我们已在新加坡投资界建立起了积极正面的公信力和信任度。除了我们在2016财年实现创纪录的收入和利润外，及时传播公司业务的增长也促进了公司整体股价的上涨。

展望未来 - 扩张中国市场，放眼国际

虽然中国房地产政策调控措施对市场有短期的影响，但是在较好的一线及二线城市，由于持续的城市化，这些城市的刚需、改善性需求等基础需求仍旧存在并且平稳增长。因此，我们对中国房地产市场在中长期内，仍然保持乐观的态度。我们把“中国内部地域性扩张”作为2017年的发展重点，进军我们已经定位的城市。我们严格遵守科学的土地收购策略，为2017年定下了将房地产开发业务预售收入提高至人民币100亿元，至2021年达到人民币400亿元的目标。

除了自然增长，我们将在中国房地产市场通过兼并及收购扩大规模。目前前20名中国房地产商占据了中国房地产市场很高的市场份额，最终具备较强能力的地产商在土地收购、融资、营销和定价方面的优势将会更大，那么我们相信合并之路将在所难免。与此同时，我们也在寻找业内其他地产开发商或地产相关行业共同开启合作之旅。

以我们在澳洲市场取得的成绩来看，我们转型为国际地产开发商的目标也正在逐步实现中。我们在2016年上半年成功地交付了自2014年进军澳洲市场以来的首个项目-布里斯班Vivir。随着我们初期投资资本的回收，大大地增强了我们在继续开拓澳洲市场的信心。目前， 我们在澳洲拥有7个在建项目，同时也在寻找新的投资机遇。我们在新地域采用的增量策略，最初以合资形式开发新项目，继而独立运营整个项目。为成功打造面向澳洲本地主流客群产品和融入本地开发理念的开发商，我们还在当地设立了具有一定规模和强大实力的管理团队，并且正向着目标靠拢。

悉尼项目的需求量仍处于良好状态，且人口数量随着宽松的移民政策不断增长，因此住房需求也维持着稳定的状态。我们锁定本地购买者为目标客户，例如居住在类似Parramatta和Penrith这些近郊的居民，相信这样的策略会持续支持我们在澳洲的业务发展。

继2016年11月召开的特别股东大会上通过了房地产业务地域扩张的决议之后，我们继续扩大在国际市场的影响力，并在澳大利亚，美国和西欧等发达市场发展推动业务多元化。这些市场成熟而稳定，并且具备强大及透明的法律架构。为此,我们也通过与Urban Comms, LLC的合作，首次涉足位于美国洛杉矶威尔士区的高端住宅和酒店开发项目。随着美国经济的持续增长，尤其是优惠的税收政策而吸引了大量投资者的城市，带动了房地产需求的增长。尽管特朗普政府的政策有潜在的不确定性，但是由于较高的消费者信心以及较低的失业率，我们预计房地产上升趋势将继续保持稳定。以洛杉矶和达拉斯为根据地，我们会借助普通合伙人和有限合伙人的基金结构以及外部融资方式，目标将美国业务转型为轻资本，高回报的经营模式。

转型之旅仍在继续

转型的旅程总是充满着新机遇。除了房地产开发业务外，我们还开拓了能使集团获利的新业务，例如，通过收取持有型房产的租金和资产管理业务的管理费增加集团的经常性收益；凭借在教育领域的优势，我们计划扩大教育基础设施业务；基金管理业务在海外区域的扩张，将成为我们实施这些战略以及开展其他业务领域强有力的后盾。同时，这也将加速我们转型为国际化综合型地产开发商的进程。

令我倍受鼓舞的是，成立于2015年4月的子公司，睿泽资本，主营基金管理业务，迄今为止已经成功推出八个基金产品，管理的资产总额超过一亿美金。其中四个基金已用于全力支持集团的国际业务扩张。近期推出了第二个海外投资机遇基金，目标募集金额为两千万美金。取得这样的成绩，标志着集团在转型为综合性国际地产商的征程中又一次重大突破。

在我们追求可持续增长的道路上，我们坚信对人才的投资是至关重要的。我们将继续投资具有合适市场经验的人才资源，以在主要业务市场中扩大我们的团队，创造出更好的业绩。

作为一家快速发展的企业，我们相信以不断增长的资本基础以及持续实现发展战略，将会使投资者们认可我们的投资价值。我们的转型之旅已经取得了重大进展，凭借行之有效的经营策略作为支持，我们相信已经为未来的征程做好了充足准备。

致谢

董事会希望对已经退任独立董事的傅志宽先生，以及曾担任公司执行董事的李斌先生表示最衷心的谢意，感谢他们在担任董事期间对公司做出的卓越贡献。李斌先生目前仍在管理层担任重要职务，为公司总裁及首席运营官。与此同时,我们对新上任并且为董事会带来有价值的经验以及别出心裁的观点的两位独立董事张正义和黎显宝先生表示最诚挚的欢迎。此外，我们以同样的热忱欢迎我们新的首席财务官和执行董事蔡辉松先生的上任。我们对董事会能为集团带来的多元化的能力和专业知识非常有信心。这将加强公司的管理，以维护股东利益为上，并为实现我们的增长目标发挥关键作用。

最后，我想对董事会、管理团队以及各位员工表示我最诚挚的谢意。因为有你们的承诺、信念和奉献精神，才使公司创造了今天的成功。感谢股东们一路相随，给予我们的信任以及支持。我们对即将到来的一年倍感兴奋，并且时刻准备着接受更大的挑战，为长期可持续性发展而不懈地努力。

谨启，

钱建蓉

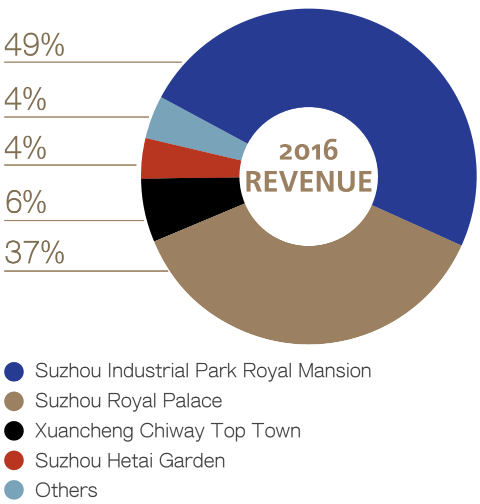
执行主席兼首席执行官
2017年3月

INTERVIEW WITH GROUP CFO & EXECUTIVE DIRECTOR

1 The Company has delivered a set of strong financial results for FY2016, what kind of growth are we looking at for FY2017 and beyond?

Our strong set of financial results for FY2016 is a reflection of the execution abilities of the Group's management team as well as our disciplined and steady strategy in land acquisition.

In FY2016, revenue increased by 33.6% to RMB4.8 billion. The revenue contribution by property development projects is shown below:



The improvement in performance is primarily driven by an increase in gross margin and higher selling price of property units handed over. Although the aggregate GFA sold and recognised decreased by approximately 26.0% yoy in FY2016, the average selling price ("ASP") increased by 79.0% to RMB 14,290 per sqm. This translated into a strong improvement in gross margin to 19.2% in FY2016, from 8.3% in FY2015.

The Group also achieved healthy pre-sales of RMB4.6 billion for our ongoing projects in China and Australia. Pre-sales GFA for the Group's China projects increased 15.0% yoy to approximately 435,119 sqm in FY2016 with an aggregate consideration of RMB4.3 billion. This was achieved despite the cooling measures imposed by local governments throughout China in Q42016. Our Australia projects were also pre-sold with a total aggregate consideration of AUD60.0 million (RMB300.0 million) in FY2016.

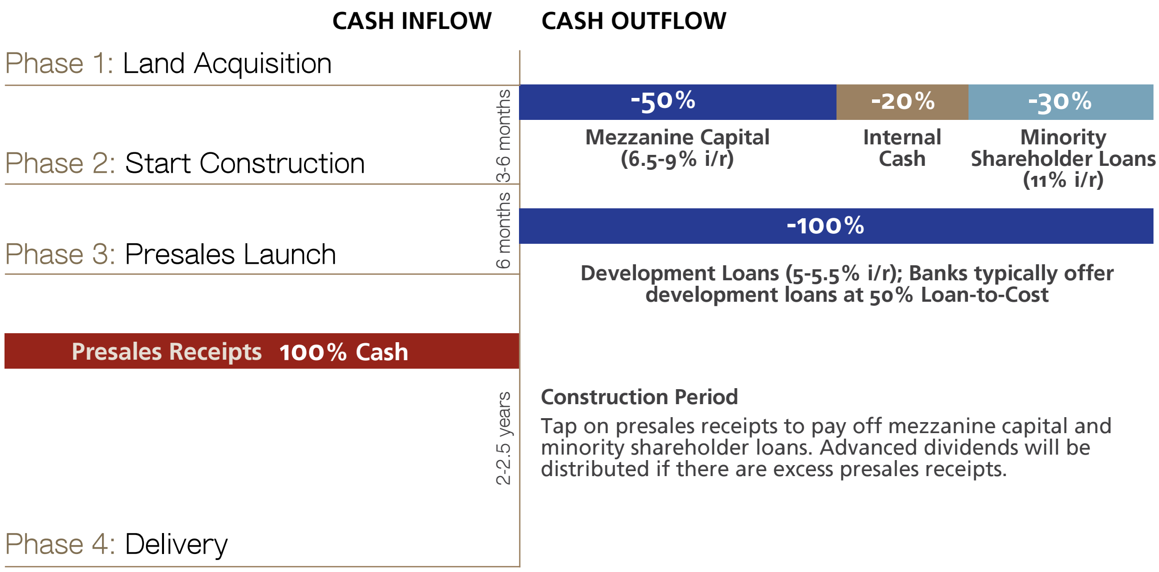
Going forward into 2017, we will focus on two key strategies which include: i) Scaling within China; and ii) Expanding the fund management business beyond China. In China, we remain focused to scale up and tap into cities that are still growing. We are positive about the prospects in these growth cities and are targeting to achieve RMB10.0 billion in advanced receipts in 2017. With respect to our fund management business, we intend to expand its activities beyond China which will allow us to more effectively grow beyond our property development business.

In the longer term, we have set an internal target of annual earnings growth of 30-50% over the next few years. This will mainly be driven by our business within China, to achieve presales receipts of RMB40.0 billion by 2021. We believe that CWG is poised to be a strong growth company.

2 Your gross profit margin has improved to 19.2% for FY2016, why is this so? What kind of margins can we expect going forward?

The improvement in our gross profit margin in FY2016 can be attributed to appreciating land prices of our land bank. In the past few years, we have invested into sufficient land bank for our projects in Suzhou which were completed in 2016, with some to be completed in 2017. As we know, land prices in these areas have increased rapidly since and this has translated into better margins for our Suzhou projects. In addition, many of our low margin projects are 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. As a result, projects due for completion or those to be launched, barring any major disruptions, should offer better margins and improve our bottom-line earnings going forward.

3 What are your views on the Group's relatively high gearing ratio? Is this any cause for concern and would we be expecting this to get even higher in view of the Group's aggressive expansion strategy?



In China, when we acquire a parcel of land, a small portion of the land acquisition cost is financed through internal cash, and the rest through mezzanine financing and shareholder loans. As such, each land acquisition for a new project will increase our debt burden significantly. However, land acquisition debt typically stays on the Group's balance sheet for up to nine months before it is discharged by advanced receipts collected upon launch of the project. Our higher debt ratio for FY2016 was attributable to our acquisition of six new land parcels in Hubei, Jiangsu provinces and in Sydney, Australia. This has been our largest land bank acquisition in a single year, and is necessary to position us for the targeted growth we have earlier announced.

However, we do not see this as a huge cause for concern. Once the projects are launched this year, and as advance receipts from pre-sales are received, our debt ratio should decrease rapidly if there are no further land acquisitions. We are comfortable that our debt ratio is manageable as we have consistently demonstrated over the years our ability to manage it.

That being said, we are actively looking at ways to improve our capital structure by exploring various equity fundraising options and by reducing our debt financing costs.

INTERVIEW WITH GROUP CFO & EXECUTIVE DIRECTOR

4 The Company acquired five new land parcels in Hubei and Jiangsu, what is the outlook of the real estate market there and what is the Company's strategy for land acquisition?

As a property developer, it is imperative for us to adopt a disciplined and steady land acquisition strategy in order to sustain the growth momentum. Last year, we entered the new market of Wuhan with two projects, Wuhan Chiway Lakeside Palace and Wuhan Chiway MOMA Royal Palace. We are confident of the Wuhan market for several reasons. Wuhan has been one of the fastest growing cities since 2015. In 2015, resident population reached 16.6 million, with net inflow exceeding 2.3 million. Some of the reasons for this include:

a. Wuhan has the highest student population, just behind Beijing, with more than 79 institutions of higher learning and close to 1 million in total university student population

b. Wuhan is at the central of transportation links, connecting it to all parts of China. Wuhan connects with Guangzhou, Chongqing and Beijing via its high speed train system. It is the busiest port on the Yangtze River, controlling both upstream and downstream river traffic

c. Wuhan has some of the biggest industries in China. Today, the five largest industries exceeding RMB100.0 billion in revenues in Wuhan are:

   i. Automobiles and parts;
   ii. Electronic information;
   iii. Equipment manufacturing;
   iv. Food and tobacco;
   v. Energy and environmental protection.

The other key market for land acquisition last year was Suzhou and its vicinity. Suzhou has been our core market since our inception, and we remain confident of the opportunities in this region. Last year, we bought a 34,180 sqm site in Zhangjiagang, Suzhou and two sites with a total land area of 85,282 sqm in Wuxi.

Economic developments and opportunities in Suzhou continue to attract internal migration. There is also demand generated from upgrading due to increasing affluence amongst the population within Suzhou. Specifically, in some districts, aggregate demand has been exceeding supply of residential units. We have selectively acquired land in these areas for our projects.

5 Which are the projects that are up for launch and delivery in 2017?

We expect the delivery of six projects, with a total saleable gross development value of RMB5.5 billion in FY2017:

Location	Project
Suzhou, China	• Suzhou Industrial Park Royal Mansion (Phase 2) • Suzhou Chiway Prime Palace
Rest of China	• Shanghai Royal Palace (Phase 3) • Xuzhou Royal Palace Block C (Phase 2) • Xuancheng Chiway Top Town (Phase 3, District C)
Sydney, Australia	• Uptown @ Roseville

Projects that are planned for launch in FY2017:

Location	Project
Suzhou, China	• Suzhou Chiway Star Hub • Zhangjiagang Chiway Royal Paradise Bay • Wuxi Chiway Prime Palace • Wuxi Industrial Park Royal Mansion (Phases 1-3)
Rest of China	• Nanjing Royal Lake Mansion • Xuancheng Chiway Top Town (Phase 4, District B, C) • Wuhan Chiway Lakeside Palace
Sydney, Australia	• The Peak @ Parramatta • Lapointe @ Penrith

6 The Company's earnings are lumpy, how is the Company intending to address this?

We plan to establish an investment property holding arm which generates recurring income streams from both management fees and property rental to provide earnings stability to the Group.

To date, we have achieved good progress in the expansion of our fund management platform. Our fund management subsidiary, Richmont Capital has successfully launched a total of eight funds, with a total fund size in excess of USD100.0 million, with the proceeds of four of these funds going to support our international expansion. In 2017, we will continue to expand and scale our fund management business beyond China, and transform our property development business into a fee-based business by capitalising on external funds for our property development projects, particularly in the international markets.

In the educational asset class, we are also making good progress. We believe that our expertise in the education sector, where we have a strong track record of building education campuses and international schools in China, will provide us with a competitive advantage. We are currently reorganising our educational assets across the broader group into a single platform so that we can invite investments to scale up further. We hope to complete this within FY2017, subject to regulatory approvals.

7 Can you tell us more on your internationalisation strategy and who will be driving this?

We intend to undertake more property projects outside of China in the next five years to increase the financial contribution from international projects. This will provide the Group with a diversified stream of revenue and earnings.

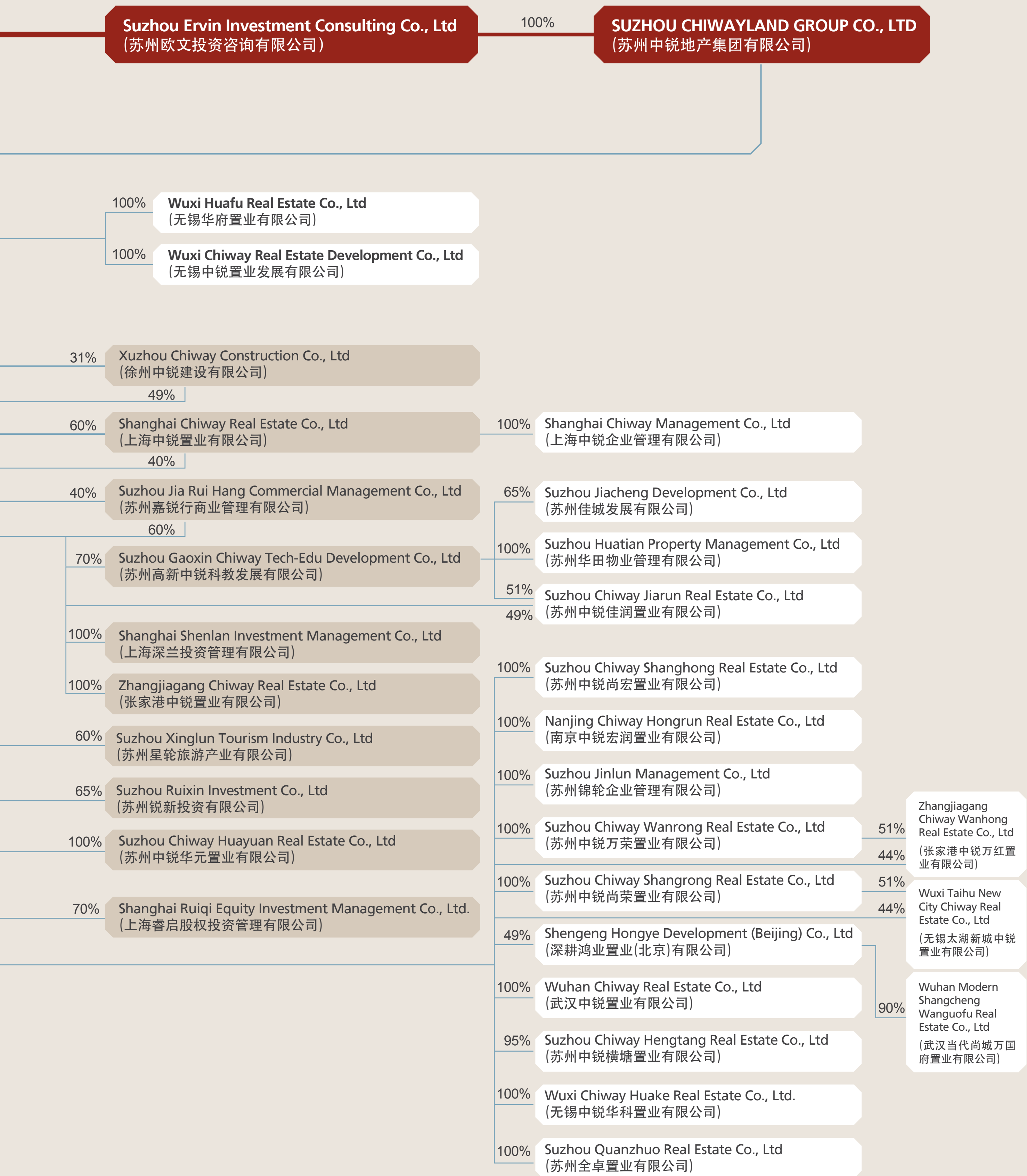
We have identified developed markets such as Australia, U.S. and Western Europe as they are mature, stable and supported by strong legal frameworks with good transparency. In entering these new markets, we will adopt a deliberate and incremental entry to scale by starting off a new project through JVs before moving on to bigger projects independently. This will help us to manage the risks of entering a new market.

In each of our market, we have a local team on the ground led by experienced key managers who have demonstrated strong operational and execution abilities. We have brought on Dr. Ying Rao as CEO of our Australia team, which is presently about 15-strong and based in Sydney. Likewise in the U.S., we have appointed Mr. Peter Lai as the President of our U.S. operations. Peter's team is expected to grow over the next year or so, as more projects come onstream in the U.S..

ORGANISATION STRUCTURE

- **CWG International Ltd.**
  - 100% **Chiwayland Group (Singapore) Pte. Ltd.**
    - 100% **Chiway Investment Pte. Ltd.**
      - 100%
    - 100% **CWG Development Pty. Ltd.**
      - 100% Hillwood Pty Limited
        - 60% Hillwood Uptown Nominee Pty Ltd
      - 50% Chiway Solutions Brisbane Pty Ltd
        - 100% CS Toowong Pty Ltd
        - 100% CS Nundah 3 Pty Ltd
        - 100% CS Nundah 4 Pty Ltd
      - 75.83% Bluesky Parramatta Pty
      - 100% Epping Hillview Pty Ltd.
      - 60% Ryde 88 Pty Ltd.
      - 100% CWG Development LLC
        - 100% Chiwayland USA LLC
          - 50% UCCH LLC
      - 100% Caddens Versatile Pty. Ltd.
    - 100% **Chiwayland Investment Cayman Limited**

- 100% Xuancheng Chiwayland Co., Ltd (宣城中锐房地产开发有限公司)
- 100% Wuxi Chiway Real Estate Co., Ltd (无锡中锐房地产有限公司)
- 52.38% Wuxi Huarui Real Estate Co., Ltd (无锡华锐置业有限公司)
- 100% Xuzhou Huarui Tech-Edu Development Co., Ltd (徐州华锐科教发展有限公司)
- 100% Shanghai Tongrui Investment Consulting Co., Ltd (上海同锐投资咨询有限公司)
- 100% Shanghai Lvwen Management Co., Ltd (上海律文企业管理有限公司)
- 100% Shanghai Chiway Jiacheng Investment Consulting Co., Ltd (上海中锐佳城投资咨询有限公司)
- 65% Suzhou Landscape Real Estate Co., Ltd (苏州山水映象地产有限公司)
- 55% Suzhou Xingshang Tiandi Real Estate Co., Ltd (苏州星尚天地置业有限公司)
- 100% Shanghai Fuyuan Investment Management Co., Ltd (上海孚源投资管理有限公司)
- 100% Shanghai Tongmo Assets Management Co., Ltd 上海通墨资产管理有限公司
- 75% Suzhou Chiway Jinhui Real Estate Co., Ltd (苏州中锐金汇置业有限公司)
- 100% Shanghai Zihui Engineering Management Consulting Co., Ltd (上海孜汇工程管理咨询有限公司)
- 100% Shanghai Quanchang Marketing Planning Co., Ltd (上海全畅营销策划有限公司)
- 100% Shanghai Richmont Equity Investment Management Co., Ltd. (上海睿泽股权投资有限公司)
- 60% Suzhou Chiway Shangcheng Real Estate Co., Ltd (苏州中锐尚城置业有限公司)
- 90% Shanghai Jiashu Real Estate Co., Ltd (上海嘉澍置业有限公司)
- 100% Shanghai Ruizong Real Estate Co., Ltd (上海锐总置业有限公司)
- 100% Wuhan Ruijia Real Estate Co., Ltd (武汉锐嘉置业有限公司)
- 100% Suzhou Chiway Jiashi Real Estate Co., Ltd (苏州中锐嘉实置业有限公司)


Suzhou Ervin Investment Consulting Co., Ltd
(苏州欧文投资咨询有限公司)
100%
SUZHOU CHIWAYLAND GROUP CO., LTD
(苏州中锐地产集团有限公司)
100%
Wuxi Huafu Real Estate Co., Ltd
(无锡华府置业有限公司)
100%
Wuxi Chiway Real Estate Development Co., Ltd
(无锡中锐置业发展有限公司)
31%
Xuzhou Chiway Construction Co., Ltd
(徐州中锐建设有限公司)
49%
60%
Shanghai Chiway Real Estate Co., Ltd
(上海中锐置业有限公司)
40%
100%
Shanghai Chiway Management Co., Ltd
(上海中锐企业管理有限公司)
40%
Suzhou Jia Rui Hang Commercial Management Co., Ltd
(苏州嘉锐行商业管理有限公司)
60%
65%
Suzhou Jiacheng Development Co., Ltd
(苏州佳城发展有限公司)
100%
Suzhou Huatian Property Management Co., Ltd
(苏州华田物业管理有限公司)
70%
Suzhou Gaoxin Chiway Tech-Edu Development Co., Ltd
(苏州高新中锐科教发展有限公司)
51%
49%
Suzhou Chiway Jiarun Real Estate Co., Ltd
(苏州中锐佳润置业有限公司)
100%
Shanghai Shenlan Investment Management Co., Ltd
(上海深兰投资管理有限公司)
100%
Zhangjiagang Chiway Real Estate Co., Ltd
(张家港中锐置业有限公司)
60%
Suzhou Xinglun Tourism Industry Co., Ltd
(苏州星轮旅游产业有限公司)
65%
Suzhou Ruixin Investment Co., Ltd
(苏州锐新投资有限公司)
100%
Suzhou Chiway Huayuan Real Estate Co., Ltd
(苏州中锐华元置业有限公司)
70%
Shanghai Ruiqi Equity Investment Management Co., Ltd.
(上海睿启股权投资管理有限公司)
100%
Suzhou Chiway Shanghong Real Estate Co., Ltd
(苏州中锐尚宏置业有限公司)
100%
Nanjing Chiway Hongrun Real Estate Co., Ltd
(南京中锐宏润置业有限公司)
100%
Suzhou Jinlun Management Co., Ltd
(苏州锦轮企业管理有限公司)
100%
Suzhou Chiway Wanrong Real Estate Co., Ltd
(苏州中锐万荣置业有限公司)
51%
44%
Zhangjiagang Chiway Wanhong Real Estate Co., Ltd
(张家港中锐万红置业有限公司)
100%
Suzhou Chiway Shangrong Real Estate Co., Ltd
(苏州中锐尚荣置业有限公司)
51%
44%
Wuxi Taihu New City Chiway Real Estate Co., Ltd
(无锡太湖新城中锐置业有限公司)
49%
Shengeng Hongye Development (Beijing) Co., Ltd
(深耕鸿业置业(北京)有限公司)
90%
Wuhan Modern Shangcheng Wanguofu Real Estate Co., Ltd
(武汉当代尚城万国府置业有限公司)
100%
Wuhan Chiway Real Estate Co., Ltd
(武汉中锐置业有限公司)
95%
Suzhou Chiway Hengtang Real Estate Co., Ltd
(苏州中锐横塘置业有限公司)
100%
Wuxi Chiway Huake Real Estate Co., Ltd.
(无锡中锐华科置业有限公司)
100%
Suzhou Quanzhuo Real Estate Co., Ltd
(苏州全卓置业有限公司)

BOARD OF DIRECTORS

Mr. Qian Jianrong 钱建蓉
Executive Chairman & Chief Executive Officer

Mr. Qian Jianrong is the co-founder of CWG. As Executive Chairman and Chief Executive Officer, he is responsible for the overall development of the Group's corporate direction and policies.

Prior to founding CWG, Mr. Qian held the position of Deputy Section Chief at the Bureau of Education of Zhangjiagang Municipal Government in Jiangsu Province from September 1988 to December 1991, where he was responsible for the overall management of the Zhangjiagang city's school-run enterprises. Subsequently, in January 1992, Mr. Qian joined the Hainan Nanyang Development Group as Vice Chairman and assisted the Chairman in daily operations of the group until 1994. In 1996, Mr. Qian founded a private education business together with Mr. Mao En, Mr. Liu Dahong, Mr. Gong Ming, Mr. Wu Hongzhi, and Mr. Tian Honglei, which is currently held under an investment holding company, Chiway Holding Group Co., Ltd. ("Chiway Holding"). Mr. Qian is currently the majority shareholder and non-executive Chairman of Chiway Holding, a related company of CWG.

Mr. Qian currently holds the positions of Chairman of the Federation of Industry and Commerce of Changning District in Shanghai, Vice Chairman of the China Real Estate Chamber of Commerce and Vice Chairman of the Shanghai Federation of Industry and Commerce.

Mr. Qian graduated from Soochow University with a Bachelor of Science in 1988, and obtained a Master in Business Administration from the China Europe International Business School in 2000.

Mr. Chua Hwee Song 蔡辉松
Executive Director & Group Chief Financial Officer

Mr. Chua Hwee Song was appointed to the Board on 6 July 2015 as an Independent Director before crossing over to the executive bench as Chief Financial Officer on 1 June 2016.

Mr. Chua has many years of experience in capital markets and corporate finance. He is the founder and Managing Director of Tembusu Ventures Pte Ltd ("Tembusu"), where he manages a private equity fund that invests in growth companies throughout Asia.

Prior to Tembusu, Mr. Chua was with the Singapore Economic Development Board, where he led the promotion of technology entrepreneurship and development of the enterprise financing infrastructure in Singapore, with a specific focus on the industry development of the venture capital and private equity industry.

Mr. Chua obtained his Masters of Business Administration from the National University of Singapore. He is a Chartered Financial Analyst and a Chartered Accountant.

Mr. Tian Honglei 田洪雷

Executive Director

Mr. Tian Honglei is the co-founder of CWG and Vice President and Head of Human Resource and Compliance for the Group. He is responsible for (i) reviewing and approving all human resource requirements, matters and policies of the Group; and (ii) reviewing and ensuring that the Group's daily business operations and processes adhere to its internal process policies.

Prior to his appointment as our Executive Director, Mr. Tian was Assistant Vice President from 2009 to 2012, and was promoted to Vice President of CWG in 2012. He has been overseeing the Group's human resource and compliance functions since 2011. Mr. Tian joined Chiway Holding in 2002 as an Investment Director and was responsible for the analysis and implementation of investment projects and a restructuring exercise involving Chiway Holding. He was the Vice General Manager with a subsidiary of Chiway Holding, Shanghai Chiway Education Investment (Group) Co., Ltd from 2006 to 2009, where he was responsible for planning and implementing business strategy. Prior to joining Chiway Holding, Mr. Tian held management positions in various PRC companies where he led their investment projects.

Mr. Tian holds a Bachelor of Economics and a Master of Economics from the Renmin University of China.

Mr. Thio Shen Yi 张正义

Lead Independent Director

Mr. Thio Shen Yi was appointed to the Board on 1 July 2016. He is our Lead Independent Director and Chairman of our Nominating Committee and Corporate Disclosure Committee. He is also member of our Audit and Risk Management Committee, and Remuneration Committee.

He is Founding Partner and Joint Managing Director at TSMP Law Corporation, and a leading figure in Singapore's legal community. He was appointed Senior Counsel in 2008 at the early age of 40, and is often cited as a leading individual in dispute resolution in the top international legal publications.

He focuses on dispute resolution, primarily as counsel, and occasionally as arbitrator. Mr. Thio's wide practice includes corporate litigation, financial and commercial disputes, information technology, construction and engineering disputes, and competition law.

BOARD OF DIRECTORS

Mr. Kwok Wei Woon 郭伟文

Independent Director

Mr. Kwok Wei Woon was appointed to the Board on 5 August 2014. He is the Chairman of our Audit and Risk Management Committee. He is also a member of our Remuneration Committee, Nominating Committee, and Investment Committee.

Mr. Kwok is currently the Deputy GM of SooChow Securities CSSD (Singapore) Pte Ltd, a licensed fund manager in Singapore that is 75% owned by SooChow Securities and 25% by CSSD (China-Singapore Suzhou Industrial Park Development Co. Ltd). He is also a director of China Reform Overseas Management Co Ltd & China Reform Puissance Overseas Holdings Limited and an Independent Non-Executive Director and Audit Committee Chairman of 3 SGX main-board listed companies.

He has more than 18 years of experience in the financial services industry and had previously held senior roles with global financial institutions like JP Morgan (Executive Director); UBS AG (Director, Advisory Consultant, North Asia); Standard Chartered Bank Singapore (Deputy GM, Wealth Management).

Mr. Kwok is Fellow of Singapore University of Social Science and an adjunct lecturer with Kaplan teaching finance and business related subjects. He also occasionally provides corporate trainings to bankers from several Chinese banks like ICBC, BOC, China Merchant Bank and Industrial Bank of China.

In addition, he also volunteers in non-profit organizations and elected as President of Financial Planning Association of Singapore (FPAS); President of University of New South Wales Alumni Association Singapore and Vice President of Australian Alumni Singapore.

Mr. Kwok graduated with a Master of Commerce degree (majoring in advance finance) and a Bachelor of Commerce degree (majoring in Accounting and Finance) from University of New South Wales. He is a certified accountant with CPA Australia and a Certified Financial Planner (CFP).

Mr. Lai Huen Poh 黎显宝

Independent Director

Mr. Lai Huen Poh was appointed to the Board on 28 July 2016. He is Chairman of our Remuneration Committee and a member of our Audit and Risk Management Committee, and Nominating Committee.

Mr. Lai is Partner and Managing Director at RSP Architects Planners & Engineers (RSP), one of the largest architectural practices in the world. He has more than four decades of industry experience, which include the steering of RSP's expansion into important markets such as India, Dubai, Malaysia, China and Vietnam. Some of his notable projects in Singapore include the Republic Plaza, ITE East and Central campuses, Clarke Quay and ION Orchard.

He has been an active contributor in the industry, serving as Board member of Building and Construction Authority (BCA) and Singapore Land Authority, on BCA committees such as Construction Best Practice, Structural Robustness as well as on the International Panel of Experts on Construction Productivity. For his contribution to the nation through his service on the Strata Titles Board, he was conferred the Meritorious Service Award in 2011 by the Ministry of National Development.

He is a Registered Professional Engineer (Civil), a Chartered Engineer (UK) and member of associations that include Association of Consulting Engineers, Institute of Civil Engineers and the Singapore Structural Steel Society. He has a Bachelor of Engineering degree from the University of Sheffield, UK.

KEY MANAGEMENT

Mr. Li Bin 李斌

President & Chief Operating Officer

Mr. Li Bin joined CWG in February 2009 as a general manager in charge of the operations of Shanghai Investment, and rose to rank as the President and Chief Operating Officer.

He has been responsible for the overall management of the daily operations of CWG since 2011. Mr. Li started his career in January 2002 as a project director in Shanghai Matsuoka Co., Ltd. Jiulongshan Development Company, where he was responsible for overseeing various operational aspects of the company's real estate division. From June 2004 to August 2009, Mr. Li worked at Shanghai Daye Real Estate Development Co., Ltd and Shanghai Daye Hotel Management Co., Ltd, where he managed the company's project development projects and investment properties.

Mr. Li graduated with a Bachelor of Engineering and a Bachelor of Laws from Huazhong University of Science and Technology in 1999. He obtained a Master of Engineering from Huazhong University of Science and Technology in 2002, and a Senior Master of Business Administration from the School of Management of Fudan University in 2012.

Mr. Gong Ming 贡明

China Country Managing Director

Mr. Gong Ming is responsible for the Group's operations in the PRC. He has about 20 years of industry experience and has extensive relationships with local governments, agencies and professional entities.

He joined the Group in June 1998 and rose through the ranks to become the Deputy CEO. Prior to this, he was the Deputy Head of Wuxi Petrochemical Bureau's Technical Division.

Mr. Gong graduated with a Bachelor of Applied Chemistry from Shanghai Tongji University in 1989. He obtained an Executive Master of Business Administration from Fudan University in 2004.

KEY MANAGEMENT

Dr. Ying Rao 饶鹰

CEO of CWG Development Pty Ltd

Dr. Ying Rao is responsible for the overall direction and strategy of the Group's operations in Australia. He was appointed on 26 August 2016 as the CEO of CWG Development Pty Ltd, the Group's key operating subsidiary in Australia. He has extensive experience in urban design and master planning in China and Australia and is recognised globally for winning many international design competitions. He has been leading inter-disciplinary and multi-national teams to achieve design excellence for more than a decade and brings to the Group a strong network of industry contacts in China and abroad.

He joined the Group from PTW Architects, an Australian architecture firm headquartered in Sydney, where he was Head of China Business and Head of Urban Design from July 2013 to July 2016. Dr. Rao's professional focus is sustainable urban development - ecological environment, form, space, transportation, economic growth and implementation mechanism. He has worked closely with PRC investors of varying sizes, both personal and institutional for many years, assisting them in selection, design and development of both large scale and mid-size projects across many sectors.

Dr. Rao is a Full Member of Planning Institute Australia and received his PhD in Urban Design from the University of Sydney in 2001. He received his Bachelor of Engineering (Architecture) degree from Tsinghua University, Beijing in 1991.

Mr. Peter Lai 赖志东

President of CWG Development LLC

Mr. Peter Lai is responsible for the overall direction and strategy of the Group's operations in the U.S.. He was appointed on 30 August 2016 as President of CWG Development LLC, the Group's key operating subsidiary in the U.S.. He has over 20 years of experience in real estate acquisition, development, infrastructural engineering and construction management both in the U.S. as well as in China.

Prior to this, he was a Vice President for Oceanwide Holdings in Los Angeles, where he was instrumental in managing the firm's development of a US$1.5 billion mixed-use mega project in Downtown LA, an iconic landmark project that includes a five-star hotel, 500 ultra-luxury condominium apartments, a high-end retail centre, and the world's largest contiguous high resolution LED panel.

Among his significant previous positions, Mr. Lai served as Senior Vice President and Partner of RJN Group, Inc., a leading nationwide consulting firm in providing innovative solutions to municipal infrastructure improvements and developments. He managed the firm's operations in the southwest market covering several states including Texas, Oklahoma, and Arkansas. He was also an Executive Vice President and Director for U.S. China Chamber of Commerce in Dallas, Texas from 2009 to 2015.

Mr. Lai has a Master of Science degree in Civil Engineering from Texas Tech University and a Bachelor of Science degree in Civil Engineering from South China University of Technology.

Ms. Ru Wenyan 茹雯燕

Assistant President

Ms. Ru Wenyan is the Assistant President and oversees the investment management division of CWG. She started her career in 2002 in the finance division of a subsidiary within the CIMC Group before joining CWG in 2008. Within the group, she had diverse exposure across finance and investment roles.

Ms. Ru graduated with a Bachelor of International Accounting from Shanghai University of Finance and Economics in 2002, and obtained a Master of Business Administration from the China Europe International Business School in 2016.

DISCLOSURE TABLE FOR ANNUAL REPORT IN COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE 2012 AND LISTING MANUAL

The Board of Directors (the "**Board**") of CWG International Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") is committed to maintaining high standards of corporate governance and places importance on its corporate governance processes and systems so as to ensure greater transparency, accountability and maximisation of long-term shareholder value.

This corporate governance report, set out in tabular form, outlines the Company's corporate governance structures and practices that were in place during the financial year ended 31 December 2016 ("**FY2016**"), with specific reference made to the principles of the Code of Corporate Governance 2012 (the "**Code**") and the disclosure guide developed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in January 2015 (the "**Guide**").

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
General	(a) Has the Company complied with all the principles and guidelines of the Code? If not, please state the specific deviations and alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.	The Company has complied with the principles and guidelines as set out in the Code and Guide, where applicable. Appropriate explanations have been provided in the relevant sections below where there are deviations from the Code and/or the Guide.
	(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines of the Code?	Not applicable. The Company did not adopt any alternative corporate governance practices in FY2016.
BOARD MATTERS		
The Board's Conduct of Affairs		
1.1	What is the role of the Board?	The primary function of the Board is to provide entrepreneurial leadership so as to protect and enhance long-term value and returns for its shareholders. Besides carrying out its statutory responsibilities, the Board's role is to: (a) Provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Group to meet its objectives; (b) Establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Group's assets; (c) Review the management performance;

		(d) Identify the key stakeholder groups and recognise that their perceptions affect the Company's reputation; (e) Set the Group's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met; (f) Consider sustainability issues such as environmental and social factors, as part of its strategic formulation; and (g) Be responsible for corporate governance. While matters relating in particular to the Company's objectives, strategies and policies require the Board's direction and approval, Management is responsible for the day-to-day operations and administration of the Company in accordance with the objectives, strategies and policies set by the Board.
1.2	All Directors must objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company.	All Directors exercise due diligence and independent judgment in dealing with the business affairs of the Group and objectively take decisions in the best interests of the Company.
1.3	Has the Board delegated certain responsibilities to committees? If yes, please provide details.	To facilitate effective management, certain functions have been delegated to various Board Committees, namely the Audit and Risk Management Committee ("**ARMC**"), the Nominating Committee ("**NC**"), the Remuneration Committee ("**RC**"), the Investment Committee ("**IC**"), and the Corporate Disclosure Committee ("**CDC**") which have been constituted with clearly defined terms of reference. These Board Committees have the authority to examine particular issues and whose actions are reported to and monitored by the Board. Please refer to Table 1 – Board and Board Committees for the composition of the various Board Committees.
1.4	Have the Board and Board Committees met in the last financial year?	The Board meets regularly on a quarterly basis and as warranted. Ad hoc meetings will be arranged to deliberate on urgent substantive matters when required. Board meetings by telephone conference, video conferencing, audio visual and other similar communications equipment are allowed under the Company's Constitution. Please refer to Table 2 – Attendance at Board and Board Committee Meetings for the attendance of the Directors at the various Board and Board Committee Meetings.

1.5	What are the types of material transactions which require approval from the Board?	The Company has adopted internal guidelines setting forth matters that require Board approval. The types of material transactions that require Board approval under such guidelines are listed below: (a) Approval of financial statements' announcements; (b) Approval of interested parties' transactions or matters involving a conflict of interest for a substantial shareholder or Director; (c) Declaration of interim dividends and proposal of final dividends; (d) Convening of shareholders' meetings; (e) Approval of corporate strategy; (f) Authorisation of merger and acquisition or disposal transactions; (g) Approval of share issuance; and (h) Authorisation of major funding, investment or divestment transactions.
1.6	(a) Are new Directors given formal training? If not, please explain why.	The Company has an orientation programme for new Directors to ensure that the incoming Director is familiar with the Company's business and governance practices. He/she will be given a tour and/or briefing of key facilities and activities of the Company, as well as a detailed presentation by key senior management covering structure, business activities and growth strategies of the Group and an overview of the more significant business risks, issues and challenges it faces. Corporate materials and documents such as the latest Annual Report, minutes of recent Board meetings, and the Constitution of the Company, will also be given to the incoming Director to facilitate his/her understanding of the structure and operations of the Group. For first time Directors, the Company will arrange relevant training courses for them to familiarise with the duties and responsibilities as a Director of a listed company. The Company also encourages Directors to regularly attend training courses organised by the Singapore Institute of Directors or other training institutions in connection with their duties as Directors.

	(b) What are the types of information and training provided to (i) new Directors and (ii) existing Directors to keep them up-to-date?	The Board as a whole is updated quarterly during the Board and ARMC meetings on risk management, corporate governance, insider trading and the key changes in the relevant regulatory requirements and financial reporting standards, so as to enable them to properly discharge their duties as Board or Board Committee members. News releases issued by the SGX-ST and Accounting and Corporate Regulatory Authority ("**ACRA**") which are relevant to the Directors are circulated to the Board. Briefings, updates and trainings for the Directors in FY2016 included briefings on changes and/or amendments to accounting standards by the external auditors.
1.7	Upon appointment of each Director, the Company should provide a formal letter to the Director, setting out the Director's duties and obligations.	A formal letter of appointment is provided to every new Director, setting out the duties and obligations of the Director upon his/her appointment.
Board Composition and Guidance		
2.1 2.2 3.3	Does the Company comply with the guideline on the proportion of Independent Directors on the Board? If not, please state the reasons for the deviations and the remedial action taken by the Company.	In view of the Executive Chairman and the Chief Executive Officer ("**CEO**") being the same person, the Company has complied with the relevant guidelines of the Code requiring at least half the Board to comprise Independent Directors. The NC is satisfied that the Board has substantial independent elements to ensure that objective judgment is exercised on corporate affairs. Mr. Thio Shen Yi has been appointed as the Lead Independent Director of the Company and makes himself available to shareholders at the Company's general meetings.
2.3 4.3	Has the independence of the Independent Directors been reviewed in the last financial year?	The independence of each Director will be reviewed annually by the NC. The NC adopts the definition in the Code as to what constitutes an Independent Director in its review to ensure that there is a strong independent element on the Board such that the Board is able to exercise objective judgment on corporate affairs independently. The Independent Directors have confirmed that they do not have any relationship with the Company or its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgment with a view to the best interests of the Company. The NC has reviewed the independence of the Independent Directors for FY2016 and is of the view that Mr. Thio Shen Yi, Mr. Kwok Wei Woon and Mr. Lai Huen Poh are independent as determined in accordance to the guidelines provided in the Code.

	(a) Is there any Director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the Director and specify the nature of such relationship. (b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	The Independent Directors do not have any relationship as stated in the Code that would otherwise deem him not to be independent.
2.4	Has any Independent Director served on the Board for more than nine years since the date of his first appointment? If so, please identify the Director and set out the Board's reasons for considering him independent.	None of the Independent Directors has served on the Board for more than 9 years from the date of his first appointment.
2.5	The Board should examine its size and, with a view to determining the impact of the number upon effectiveness, decide on what it considers an appropriate size for the Board, which facilitates effective decision making. The Board should take into account the scope and nature of the operations of the Company, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees. The Board should not be so large as to be unwieldy.	The Board has examined its size and is of the view that it is an appropriate size for effective decision-making, taking into account the scope and nature of the operations of the Company and the wide spectrum of skill and knowledge of the Directors. The NC is of the view that no individual or small group of individuals dominates the Board's decision-making process.
2.6	(a) What is the Board's policy with regard to diversity in identifying director nominees?	The NC periodically reviews the existing attributes and competencies of the Board in order to determine the desired expertise or experience required to strengthen or supplement the Board. This assists the NC in identifying and nominating suitable candidates for appointment to the Board.

<table>
<tr>
<td></td>
<td>(b) Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.</td>
<td>The current Board and the Board Committees comprise Directors who as a group provide core competencies such as accounting or finance, business or management experience, industry knowledge and strategic planning experience as follows:
<table>
<tr><th></th><th>Number of Directors</th><th>Proportion of Board (%)</th></tr>
<tr><td colspan="3">Core competencies</td></tr>
<tr><td>- Accounting or finance</td><td>3</td><td>50</td></tr>
<tr><td>- Business management</td><td>6</td><td>100</td></tr>
<tr><td>- Legal or corporate governance</td><td>2</td><td>33.3</td></tr>
<tr><td>- Relevant industry knowledge or experience</td><td>4</td><td>66.6</td></tr>
<tr><td>- Strategic planning experience</td><td>6</td><td>100</td></tr>
<tr><td>- Customer based experience or knowledge</td><td>6</td><td>100</td></tr>
<tr><td colspan="3">Gender</td></tr>
<tr><td>- Male</td><td>6</td><td>100</td></tr>
<tr><td>- Female</td><td>0</td><td>0</td></tr>
</table>
Please refer to pages 24 to 26 of the Annual Report for further details regarding the Directors' background and experience.</td>
</tr>
<tr>
<td></td>
<td>(c) What steps have the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?</td>
<td>The Board has taken the following steps to maintain or enhance its balance and diversity:
● Annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and
● Annual evaluation by the Directors of the skill sets the Board possesses, with a view to understand the range of expertise which is lacking by the Board.
The NC will consider the results of these exercises in its recommendation for the appointment of new Directors and/or the re-appointment of incumbent Directors.</td>
</tr>
</table>

2.7	How have the Non-Executive Directors: (a) constructively challenged and helped develop proposals on strategy; and (b) reviewed the performance of Management in meeting agreed goals and objectives and monitored the reporting of performance?	The Board, particularly the Independent Directors, who are Non-Executive Directors, are kept well informed of the Group's business and are knowledgeable about the industry the Group operates in to aid in the development of strategic proposals and oversee the effective implementation by Management to achieve set objectives. To ensure that the Independent Directors are well supported by accurate, complete and timely information, they have unrestricted access to Management, and have sufficient time and resources to discharge their oversight functions effectively.
2.8 3.4	Have the Non-Executive Directors/ Independent Directors met in the absence of key management personnel in the last financial year?	Where warranted, the Independent Directors met in the absence of the Management to review any matters that must be raised privately before providing feedback to the Chairman of the Board. The Independent Directors have met in the absence of Management for FY2016.
Chairman and Chief Executive Officer		
3.1	Are the duties between Chairman and CEO segregated?	Mr. Qian Jianrong currently assumes the roles of both the Executive Chairman and CEO. Taking into account the current corporate structure and the scope of the Company's operations, the roles of the Executive Chairman and CEO are not separated as the Board is of the view that there is adequate accountability and transparency within the Group. The Board is also of the view that there are sufficient safeguards and checks to ensure that the process of decision making by the Board is based on collective decisions without any individual or group of individuals exercising any considerable concentration of power or influence. At least half of the Board consists of Independent Directors. To promote a high standard of corporate governance, Mr. Thio Shen Yi had been appointed as the Lead Independent Director. As the Lead Independent Director, he shall be available to the shareholders where they have concerns which contact through normal channels of the Chairman and CEO or the Chief Financial Officer ("**CFO**") has failed to resolve or for which such contact is inappropriate.
3.2	What is the role of the Chairman?	The role of the Executive Chairman, among others, include: (a) Leading the Board to ensure its effectiveness on all aspects of its role and set its agenda; (b) Ensuring that the Directors receive complete, adequate and timely information; (c) Ensuring effective communication with shareholders;

		(d) Encouraging constructive relations between the Board and Management; (e) Facilitating the effective contribution of the Independent Directors; (f) Encouraging constructive relations within the Board and between the Board and Management; (g) Promoting a culture of openness and debate at the Board; and (h) Promoting high standards of corporate governance.
Board Membership		
4.1 4.2	What are the duties of the NC?	The duties of the NC are set out in its written terms of reference and include, among others: (a) nomination of the proposed Directors taking into consideration each proposed Director's contribution and performance; (b) determining annually whether or not a Director is independent; (c) deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director; (d) reviewing and determining the training requirements of a Director; and (e) reviewing and approving any new employment of related persons and the proposed terms of their employment. The NC meets at least once a year. Mr. Thio Shen Yi will, upon re-appointment as a Director of the Company, remain as the Chairman of the NC and a member of the ARMC, RC and the CDC.
4.4	(a) What is the maximum number of listed company board representations that the Company has prescribed for its Directors? What are the reasons for this number?	The Board has not prescribed the maximum number of listed company board representations each Director may hold.

	(b) If a maximum has not been determined, what are the reasons?	The Board is of the view that the assessment of whether each Director is able to devote sufficient time to discharge his/her duties should not be restricted to the number of board representations. Holistically, the contributions by the Directors during the meetings and attendance at such meeting should also be taken into consideration. As such, the NC would (i) continue to review from time to time the listed company board representations of each Director to ensure that the Directors continue to meet the demands of the Group and are able to discharge their duties adequately; and (ii) decide on the maximum number of listed company board representations which Directors may hold should such need arise. The dates of appointment and re-election and directorships of the Directors in other listed companies are set out below:

Name of Director	Date of Appointment	Last Re-Election Date	Directorships in Other Listed Companies	
			Present	Last Three Years
Qian Jianrong	5 August 2014	26 April 2016	Nil	Nil
Tian Honglei	5 August 2014	27 April 2015	Nil	Nil
Thio Shen Yi	1 July 2016	Not applicable	Nil	Nil
Kwok Wei Woon	5 August 2014	27 April 2015	Asia Fashion Holdings Limited; ISR Capital Limited	Nil
Lai Huen Poh	28 July 2016	Not applicable	Enviro-Hub Holdings Ltd; Rowsley Ltd.	Nil
Chua Hwee Song	6 July 2015	26 April 2016	Nil	Rowsley Limited (Resigned on 1 January 2016)

	(c) What are the specific considerations in deciding on the capacity of Directors?	The considerations in assessing the capacity of Directors include the following: ● Expected and/or competing time commitments of Directors; ● Geographical location of Directors; ● Size and composition of the Board; and ● Nature and scope of the Group's operations and size.
	(d) Have the Directors adequately discharged their duties?	The Board is satisfied that each Director is able to and has been adequately carrying out his duties as a Director of the Company.
4.5	Are there alternate Directors?	There are no alternate Directors on the Board.
4.6	Please describe the Board nomination process for the Company in the last financial year for (i) selecting and appointing new Directors and (ii) re-electing incumbent Directors.	The NC, in consultation with the Board, determined the selection criteria and identified candidates with the appropriate expertise and experience for the appointment as a new Director. Candidates were suggested by Directors, Management and sourced from external sources, based on the needs of the Company and the relevant expertise required. The NC interviewed the shortlisted candidates and assessed them based on objective criteria approved by the Board such as integrity, independent mindedness, possession of the relevant skills required or skills needed to complement the existing Board members, ability to commit the time and effort to carry out his responsibilities, good decision making track record, relevant experience and financial literacy. The NC then nominated the most suitable candidate to the Board for approval. Mr. Thio Shen Yi and Mr. Lai Huen Poh were appointed as new Independent Directors, and Mr. Chua Hwee Song was redesignated as Executive Director, of the Company in FY2016 after the NC conducted the above procedures. Under Regulation 107 of the Company's Constitution, one third (1/3) of the Board is to retire by rotation and subject themselves to re-election by shareholders at every AGM, while under Regulation 117 of the Company's Constitution, newly appointed directors by way of directors' resolutions shall hold office only until the next AGM and shall be eligible for re-election. The NC assessed and evaluated whether Directors retiring at each AGM are properly qualified for reappointment by virtue of their skills, experience and contributions, as well as the date of their last re-election. The NC then recommended to the Board that Mr. Tian Honglei and Mr. Kwok Wei Woon be nominated for re-election under Regulation 107, and Mr. Thio Shen Yi and Mr. Lai Huen Poh be nominated for re-election under Regulation 117 of the Constitution.

4.7	Please provide the following key information regarding the Directors': ● Academic and professional qualifications; ● Shareholding in the Company and its related corporations; ● Board Committees served on (as a member or chairman), date of first appointment and last re-appointment as a Director; ● Directorships or chairmanships both present and those held over the preceding three years in other listed companies and other principal commitments; ● Indicate which Directors are executive, non-executive or considered by the NC to be independent; and ● The names of the Directors submitted for appointment or re-appointment should also be accompanied by such details and information to enable shareholders to make informed decisions.	The profiles of the Directors are set out on pages 24 to 26 of this Annual Report. The shareholdings of the individual Directors of the Company as at 31 December 2016 are set out on page 62 of this Annual Report. None of the directors hold shares in the subsidiaries of the Company as at 31 December 2016. Directors who are seeking re-appointment at the forthcoming AGM to be held on 24 April 2017 are stated in the Notice of AGM set out on pages 154 to 158 of this Annual Report.
Board Performance		
5.1 5.2 5.3	What is the performance criteria set to evaluate the effectiveness of the Board as a whole and its board committees, and for assessing the contribution by each Director to the effectiveness of the Board?	The NC decides on how the Board's and its Board Committees' performance and individual Directors' contributions are to be evaluated and to propose objective performance criteria, subject to the Board's approval, which address how the Directors have enhanced long-term shareholders' value. The Board has also implemented a process to be carried out by the NC for assessing the effectiveness of the Board as a whole and the board committees, and for assessing the contribution from each individual Director to the effectiveness of the Board. Each member of the NC shall abstain from voting on any resolution in respect of the assessment of his performance or re-nomination as a Director.

		In evaluating the Board's and the Board Committees' performance, the NC considers a set of quantitative and qualitative performance criteria that has been approved by the Board. The performance criteria for the Board evaluation are in respect of: (a) Board size and composition; (b) Board processes; (c) Board information and accountability; (d) Board performance in relation to discharging its principal functions and responsibilities; (e) Corporate Strategy and Planning; (f) Risk Management and Internal Control; (g) Measuring and Monitoring Performance; and (h) Communication with Shareholders. The individual Director's performance criterion is in relation to the Director's: a. Industry knowledge and/or functional expertise; b. Contribution and workload requirements; c. Sense of independence; and d. Attendance at Board and Board Committee meetings.
	(a) What was the process upon which the Board reached the conclusion on its performance for the financial year?	All Directors are requested to complete a board evaluation questionnaire and a self-evaluation questionnaire designed to seek their view on various aspects of the Board performance as described above. Some factors taken into consideration by the NC include value of contribution to the development of strategy, availability at Board meetings (as well as informal contribution via email and telephone), interactive skills, degree of preparedness, industry and business knowledge and experience each Director possess which are crucial to the Group's business.
	(b) Has the Board met its performance objectives?	The Board reviews its performance against qualitative and quantitative targets on an annual basis and is of the view that it has met its performance objectives.

<table>
<tr><td colspan="3"><u>Access to Information</u></td></tr>
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<td>6.1
6.2
10.3</td>
<td>What types of information does the Company provide to Independent Directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?</td>
<td>In order to ensure that the Independent Directors discharge their responsibilities effectively, the Management provides Independent Directors with complete, adequate and timely information prior to Board meetings, and on an on-going basis, including at the request of the Independent Directors in the same timely manner, so as to enable them to make informed decisions to discharge their duties and responsibilities. Independent Directors have separate and independent access to the Company's senior management, who together with the Company Secretary, are responsible for ensuring that the Board procedures are followed and that applicable rules and regulations are complied with.

Information provided to the Independent Directors are set out below:-

<table>
<tr><th></th><th>Information</th><th>Frequency</th></tr>
<tr><td>1.</td><td>Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)</td><td>Quarterly</td></tr>
<tr><td>2.</td><td>Updates to the Group's operations and the markets in which the Group operates in</td><td>Quarterly</td></tr>
<tr><td>3.</td><td>Budgets and/or forecasts (with variance analysis), and management accounts (with financial ratios analysis)</td><td>Quarterly</td></tr>
<tr><td>4.</td><td>External auditors' report(s)</td><td>Yearly</td></tr>
<tr><td>5.</td><td>Reports on on-going or planned corporate actions</td><td>Quarterly</td></tr>
<tr><td>6.</td><td>Enterprise risk framework and internal auditors' report(s)</td><td>Yearly</td></tr>
<tr><td>7.</td><td>Shareholding statistics</td><td>Yearly</td></tr>
</table>

Changes to regulations and accounting standards are closely monitored by the Management. The Independent Directors are briefed either during Board and Board Committee meetings or by the Company Secretary of these changes, especially where these changes have an important bearing on the Directors' disclosure obligations.</td>
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6.3 6.4	What is the role of the Company Secretary?	All Directors have separate and independent access to the Company Secretary. The Company Secretary and/or his/her representatives attend all quarterly board meetings and prepare minutes of all Board and Board Committee meetings. The Company Secretary assists the Executive Chairman and CEO in ensuring that Board procedures are followed and regularly reviewed to ensure effective functioning of the Board, and that the Company's Constitution and relevant rules and regulations, including requirements of the Companies Act (Cap. 50) of Singapore ("**Companies Act**") and the provisions in the Listing Manual of the SGX-ST ("**Listing Manual**") are complied with. Under the direction of the Executive Chairman and CEO, the Company Secretary is responsible for ensuring good information flow within the Board and the Board Committees, facilitating the Directors' orientation programme, and assisting with professional developments as required. The Company Secretary is also the primary channel of communication between the Company and the SGX-ST. The appointment and removal of the Company Secretary is a matter for the Board as a whole.
6.5	Is there a procedure for Directors, either individually or as a group, to take independent professional advice, if necessary?	The Board engages independent professional advisors as and when necessary to enable it to discharge its responsibilities effectively. Subject to the approval of the Executive Chairman and CEO, Directors, whether as a group or individually, may seek and obtain independent professional advice to assist them in their duties, at the expense of the Company.
REMUNERATION MATTERS		
Developing Remuneration Policies		
7.1 7.2 7.4	What is the role of the RC?	The role of the RC is set out in its written terms of reference and include, among others: (a) The recommendation to the Board of a framework of remuneration for the Directors and executive officers including but not limited to Director's fees, salaries, allowances, bonuses, options, benefits in kind; (b) In respect of service contracts (if any) for any Director or executive officer, the consideration of what compensation entitlements such Director or executive officer shall have in the event of early termination; and

		(c) In respect of long-term incentive schemes (if any) including share schemes as may be implemented, the consideration of whether any Director should be eligible for benefits under such long-term incentive schemes. The RC's recommendations are submitted for endorsement by the entire Board. No Director is involved in deciding his/her own remuneration. Each member of the RC shall abstain from voting on any recommendation and/or participating in respect of matters in which he/she has an interest. The RC has full authority to obtain any external professional advice on matters relating to remuneration as and when the need arises.
7.3	Were remuneration consultants engaged in the last financial year?	No remuneration consultants were engaged for FY2016.
<u>Level and Mix of Remuneration</u>		
8.1	What are the measures for assessing the performance of Executive Directors and key management personnel?	The review of the remuneration of the executive officers takes into consideration the performance and the contributions of the officer to the Company and gives due regard to the financial and business performance of the Group. The Group seeks to offer a competitive level of remuneration to attract, motivate and retain senior management of the required competency to run the Group successfully. The Company has entered into separate service agreements with Mr. Qian Jianrong, Mr. Tian Honglei and Mr. Chua Hwee Song (collectively, "**Executive Directors**"). Mr. Chua Hwee Song's service agreement provides for a notice period of 3 months for termination of the service agreement, while each of Mr. Qian Jianrong and Mr. Tian Honglei's service agreements provides for a notice period of 6 months for termination of the service agreement. The service agreements do not contain any onerous removal clauses. Commencing from the financial year ending 31 December 2017, each of Mr. Qian Jianrong and Mr. Tian Honglei will be paid a variable performance bonus, amounting to a certain percentage of the Group's profit after tax and minority interests. The variable performance bonus of Mr. Chua Hwee Song will be payable based on the performance criteria listed out in his service agreement with the Company.
8.2	Are there long-term incentive schemes for Executive Directors and key management personnel?	The Company has no share-based compensation scheme or any long-term scheme involving the offer of shares or options in place.

8.3	How are the remuneration for Non-Executive Directors determined?	The fees of the Independent Directors are determined by the Board according to the level of contribution, and taking into account factors such as the effort and time spent, and their respective responsibilities. The fees are subject to approval by the shareholders of the Company at each AGM. Except as disclosed, the Independent Directors do not receive any other remuneration from the Company. They do not have any service agreements with the Company. The Company does not have any share-based compensation schemes or any long-term scheme involving the offer of shares in place to encourage Independent Directors to hold shares in the Company.
8.4	Are there any contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company?	Having reviewed and considered the variable components of the Executive Directors and the key management personnel, which are moderate, the RC is of the view that there is no requirement to institute contractual provisions to reclaim any incentives or related payment to the Executive Directors and key management personnel in exceptional circumstances such as misstatements of financial results, or of misconduct resulting in financial loss to the Group. In addition, the Executive Directors owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties.
Disclosure on Remuneration		
9.	What is the Company's remuneration policy?	The Company's remuneration policy is one that seeks to attract, retain and motivate talent to achieve the Company's business vision and create sustainable value for its stakeholders. The remuneration policy considers the overall performance of the Company and each individual, taking into consideration the relevant and comparative compensation in the market. There are no termination, retirement or any post-employment benefits to Directors and key officers.
9.1 9.2	Has the Company disclosed each Director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	The remuneration of each individual Director to the nearest thousand is not disclosed as the Board believes that the disclosure may be prejudicial to its business interests given the highly competitive business environment the Company operates in. The RC has reviewed the practice of the industry and considered the pros and cons of such disclosure. Please refer to Table 3(i) – Remuneration of Directors for further details.

9.3	(a) Has the Company disclosed each key management personnel's remuneration, in bands of S$250,000 or more in detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/ bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	Yes, the Company has disclosed the remuneration of each key management personnel in bands of S$250,000, as well as a breakdown into salary and CPF, bonus, and other benefits and allowance. Please refer to Table 3(ii) – Remuneration of key management personnel for further details.
	(b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not Directors or the CEO).	The aggregate total remuneration paid to or accrued to key management personnel (who are not Directors or the CEO) amounted to approximately S$1.33 million.
9.4	Is there any employee who is an immediate family member of a Director or the CEO, and whose remuneration exceeds S$50,000 during the last financial year? If so, please identify the employee and specify the relationship with the relevant Director or the CEO.	No employee of the Company and its subsidiaries was an immediate family member of a Director or CEO and whose remuneration exceeded S$50,000 in FY2016.
9.5	Please provide details of the employee share scheme(s).	The Company does not have any employee share option scheme or other long-term employee incentive scheme.
9.6	(a) Please describe how the remuneration received by Executive Directors and key management personnel has been determined by the performance criteria.	Executive Directors do not receive Directors' fees but are remunerated as members of Management. The remuneration package of the Executive Directors and the key management personnel comprises a basic salary component and a variable component which is the annual bonus, based on the performance of the Group as a whole and their individual performance. This is designed to align remuneration with the interests of shareholders and link rewards to corporate and individual performance so as to promote the long-term sustainability of the Group. Please refer to Guideline 8.1 above for more information.
	(b) What were the performance conditions used to determine their entitlement under the short term and long term incentive schemes?	Please refer to Guideline 8.1 above for more information.
	(c) Were all of these performance conditions met? If not, what were the reasons?	Please refer to Guideline 8.1 above for more information.

ACCOUNTABILITY AND AUDIT		
10.1 10.2	The Board should present a balanced and understandable assessment of the Company's performance, position and prospects.	The Board is accountable to shareholders and ensures that all material information is fully disclosed in a timely manner to shareholders in compliance with statutory and regulatory requirements. The Board strives to provide its shareholders with a balanced and understandable assessment of the Group's performance, position and prospects. The Board takes steps to ensure compliance with legislative and regulatory requirements, including requirements under the Listing Manual, where appropriate. The Independent Directors in consultation with Management will request for Management's consideration for the establishment of written policies for any particular matter that is deemed to be essential to form part of management control. The Management provides Board members with management accounts that present a balanced and understandable assessment of the Company's performance, position and prospects on a quarterly basis. At present, the Management prepares the management accounts on a monthly basis and provides the monthly management accounts to the Board whenever the Board requests for it.
<u>Risk Management and Internal Controls</u>		
11.1	The Board should determine the Company's levels of risk tolerance and risk policies, and oversee Management in the design, implementation and monitoring of the risk management and internal control systems.	The Board reviews the Group's business and operational activities to identify areas of significant business risk as well as the measures in place to control and mitigate these risks within the Group's policies and business strategies. The objective of this risk assessment exercise also include identifying and assessing key risk areas to the Group such as financial, operational, compliance and information technology risks.
11.2	The Board should, at least annually, review the adequacy and effectiveness of the Company's risk management and internal control systems, including financial, operational, compliance and information technology controls. Such review can be carried out internally or with the assistance of any competent third parties.	The Board has conducted the review of the adequacy and effectiveness of the Company's risk management and internal control systems, including financial, operational, compliance and information technology controls for FY2016, with the assistance of Yang Lee & Associates, the internal auditors.

11.3	(a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.	Yang Lee & Associates has been appointed by the Group to oversee the internal controls system of the Group. Based on the work performed by the internal and external auditors in the course of their statutory audit, reviews performed by the Management and various Board Committees, the Board, with the concurrence of the ARMC, is of the opinion that the Group's internal controls addressing the financial, operational, compliance and information technology controls risks, and risk management systems of the Company were adequate and effective as at 31 December 2016. This is also supported by the assurance statement received from the CEO and CFO. The Board and the ARMC also notes that all internal controls contain inherent limitations and no systems of internal controls could provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities. The Board will continue its risk assessment process, which is an on-going process, with a view to improve the Group's internal controls system.
	(b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the internal auditors that: (i) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?	The Board has received assurance from the Executive Chairman and CEO and the CFO that the financial records have been properly maintained and the financial statements for the financial year ended 31 December 2016 give a true and fair view of the Company's operations and finances, and that the Company's risk management and internal control systems were adequate and effective.
11.4	The Board may establish a separate board risk committee or otherwise assess appropriate means to assist it in carrying out its responsibility of overseeing the Company's risk management framework and policies.	The ARMC, while not a separate committee, assists the Board in carrying out its responsibilities for overseeing the Company's risk management framework and policies, and is responsible for, *inter alia*: (a) reviewing and guiding the Group in formulating its risk and compliance policies; (b) discussing risk mitigation and compliance strategies with Management; (c) examining the effectiveness of the Group's risk management and compliance system to ensure that a robust risk management and compliance system is maintained;

		(d) providing oversight and guidance in establishing a process to effectively identify, evaluate and manage significant risks and compliance issues; (e) reviewing risk limits and compliance procedures where applicable; (f) reviewing the Group's risk profile and compliance record periodically; (g) providing a forum for discussion on risk and compliance issues; (h) reporting to the Board on material matters, findings and recommendations; (i) performing such other functions as the Board may determine; (j) reviewing the types and levels of risks undertaken by the Group and any matters relating to compliance (including compliance with the relevant conditions and/or provisions of the Group's trust financing arrangements); (k) recommending and approving the policies and procedures for monitoring and managing such risk and compliance issues, as advised by the Group's compliance adviser; (l) monitoring the risks associated with the operations of the Group, including but not limited to the developments of the regulatory framework surrounding trust financing arrangements and identifying any newly identified/developed risks which had not been previously disclosed in the announcements; (m) reviewing and approving all non-bank loans, including new trust financing arrangements to be entered into by the Group; (n) monitoring the use of proceeds from trust financing in the supervision accounts which will be applied towards the project undertaken by the relevant borrowing subsidiary; (o) reviewing the usage of the trust financing proceeds against the monthly plan agreed upon with the respective trust financing company;

		(p) reviewing new trust financing arrangements to be entered into by the Group to ensure that: (i) they are not prejudicial to the interests of the shareholders of the Company; and (ii) in the event such trust financing arrangements include the transfer of assets of the Group to the trust financing companies, there are sufficient safeguards or measures in place to (A) prevent the trust financing companies from taking any actions which could be detrimental to the interests of the Group; and (B) mitigate the effects of any such actions on the Group (if taken). The Chairman of the ARMC is required to be independent from any management and business relationship with the Group. In the event the votes for any decision deliberated by the ARMC are equally divided, the Chairman of the ARMC shall have a casting vote.
Audit Committee		
12.1 12.3 12.4	What is the role of the ARMC?	The Audit Committee and the Risk Management and Compliance Committee of the Company were combined to form the ARMC to streamline their functions and to improve efficiency. The key function of the ARMC, based on its written terms of reference, is to: (a) review with the external auditors the audit plan, scope of work, their evaluation of the system of internal accounting controls, their management letter and the Management's response, and results of the audits conducted by the Group's internal and external auditors; (b) review the half-yearly and annual, and quarterly, if applicable, financial statements and results announcements before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with financial reporting standards as well as compliance with the Listing Manual and any other statutory or regulatory requirements;

		(c) review the risk profile of the Group, effectiveness and adequacies of its internal control and risk management procedures, including accounting, financial, operational, compliance and information technology controls and procedures and the appropriate steps to be taken to mitigate and manage risks at acceptable levels determined by the Board; (d) ensure co-ordination between the external and internal auditors and the Management, and review the assistance given by the Management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of the Management where necessary) and if necessary, appoint a suitable accounting firm as internal auditors for the Group; (e) review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the Management's response; (f) consider the appointment, remuneration, terms of engagement or re-appointment of the external and internal auditors and matters relating to the resignation or dismissal of the auditors; (g) review the appointments of persons (upon appointment and upon renewal of their respective service contracts), occupying managerial positions who are related to the Directors, CEO or the controlling shareholders of the Group, including their remuneration; (h) review and approve any transactions falling within the scope of Chapter 9 of the Listing Manual (if any); (i) review the scope and results of external audit and evaluate the independence of the external auditors; (j) review the adequacy of the internal audit function and ensure that a clear reporting structure is in place between the ARMC and the internal auditors; (k) review any potential conflicts of interest;

		(l) review the adequacy of potential business risk management processes to the extent applicable to financial compliance; (m) review and approve all hedging policies and instruments (if any) to be implemented by the Group; (n) undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the ARMC; (o) review and establish procedures for receipt, retention and treatment of complaints received by the Group, including criminal offences involving the Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on the Group; and (p) generally to undertake such other functions and duties as may be required by statute or the Listing Manual, and by such amendments made thereto from time to time. The ARMC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by Management and full discretion to invite any Director or executive officer to attend its meeting, and reasonable resources to enable it to discharge its function properly. In addition, the ARMC is given the task to commission investigations into matters where there is suspected fraud or irregularity, or failure of internal controls or infringement of any laws, rules or regulations, which has or is likely to have a material impact on the Company's operating results or financial position, and to review the findings thereof. In the review of the financial statements, the ARMC has discussed with management the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements. The key audit matters impacting the financial statements were discussed with management and the external auditors and were reviewed by the ARMC. Please refer to Table 4 – List of Key Audit Matters for further details.

12.2	Are the members of the ARMC appropriately qualified to discharge its responsibilities?	At least two members of the ARMC, including the ARMC Chairman have recent and relevant accounting or related and relevant accounting or related financial management expertise or experience, as the Board interprets such qualification in its business judgment. The Board is of the view that the ARMC, chaired by Mr. Kwok Wei Woon has sufficient financial management expertise and experience to discharge the ARMC's functions. Please refer to pages 25 to 26 of the Annual Report for further details regarding the background and experience of the ARMC members.
12.5	Has the ARMC met with the auditors in the absence of key management personnel?	The ARMC has met with the external and internal auditors, without the presence of Management for FY2016, to review the adequacy of audit arrangements, with emphasis on the scope and quality of their audit, and the independence, objectivity and observations of the auditors.
12.6	Has the ARMC reviewed the independence of the external auditors?	The ARMC reviews the independence of the external auditors annually. The ARMC, having reviewed all non-audit services provided by the external auditors to the Group, is satisfied that the nature and extent of such services does not affect the independence of the external auditors and has recommended to the Board for the re-appointment of KPMG LLP as the external auditors of the Company at the forthcoming AGM. The Company is in compliance with Rules 712 and 715 of the Listing Manual in relation to its external auditors.
	(a) Please provide a breakdown of the fees paid in total to the external auditors for audit and non-audit services for the financial year.	The aggregate amount of fees paid or payable to the external auditors of the Group, broken down into audit and non-audit services during FY2016 are as follows:- Audit fees : S$438,000 Non-audit fees : S$147,200 Total : S$585,200
	(b) If the external auditors have supplied a substantial volume of non-audit services to the Company, please state the bases for the ARMC's view on the independence of the external auditors.	The ARMC, having reviewed all non-audit services provided by the external auditors to the Group, is satisfied that the nature and extent of such services does not affect the independence of the external auditor.
12.7	Does the Company have a whistle-blowing policy?	The ARMC has put in place a Whistle-Blowing Policy, whereby employees of the Group and external parties, which includes the Group's suppliers and customers, may in confidence, raise concerns about possible improper financial reporting or other matters to Mr. Kwok Wei Woon, the ARMC Chairman. The objective for such arrangement is to ensure independent investigations of such matters and for appropriate follow-up actions. Reports of suspected fraud, corruption, dishonest practices or other similar matters can be lodged via email to Mr. Kwok Wei Woon, the ARMC Chairman at josephkww@chiway.com.cn. The ARMC further noted that no report on whistle blowing was received during FY2016.

12.8	What are the ARMC's activities or the measures it has taken to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements?	The ARMC is kept abreast by the Management and the external auditors of changes to the financial reporting standards, the Listing Manual and other regulations which could have an impact on the Group's business and financial statements during the ARMC Meetings.
12.9	Are any of the members of the ARMC a former partner or director of the Company's existing auditing firm or auditing corporation?	No member of the ARMC is a former partner or director of the Company's existing auditing firm or auditing corporation.
Internal Audit		
13.1 13.2 13.3 13.4 13.5	Please provide details of the Company's internal audit function, if any.	The ARMC is aware of the need to establish a system of internal controls within the Group to safeguard the shareholders' interests and the Group's assets, and to manage risks. The system is intended to provide reasonable but not absolute assurance against material misstatements or loss, and to safeguard assets and ensure maintenance of proper accounting records, reliability of financial information, compliance with appropriate legislations, regulations and best practices, and the identification and containment of business risks. The ARMC, in consultation with Management, approves the hiring, removal, evaluation and the fees of the internal auditors. The internal auditors have unfettered access to all the Company's documents, records, properties, and personnel, including access to the ARMC. The internal auditors carries out its function according to the standards set by nationally or internationally recognised professional bodies including the Standard for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The Group has in place an internal audit plan which is designated to provide reasonable assurance as to the effectiveness and efficiency of operations, integrity and reliability of financial information and to safeguard and maintain accountability of the Group's assets. Yang Lee & Associates has been appointed as the Group's internal auditors to review and assess the system of internal controls as well as compliance with the relevant rules and regulations of the Group on an annual basis. The internal auditors are staffed with persons with the relevant qualifications and experience, and reports directly to the ARMC on its findings and recommendations. The ARMC will review with the internal auditors their audit plan, evaluation of the system of internal controls, audit findings, risk management policy and will ensure that the Group follows up on the recommendations. The ARMC had reviewed the adequacy of the internal audit function for FY2016 and is satisfied that the existing internal audit is adequately resourced and has the appropriate standing within the Group as at 31 December 2016.

Shareholder Rights		
14.1	Companies should facilitate the exercise of ownership rights by all shareholders. In particular, shareholders have the right to be sufficiently informed of changes in the Company or its business which would be likely to materially affect the price or value of the Company's shares.	The Company recognises and accepts the principle that all shareholders are treated fairly and equitably and that they have been accorded certain rights under the Companies Act and the Company's Constitution. Material information, especially information pertaining to the Company's business development and financial performance, is disclosed to all shareholders in a timely and transparent manner and in compliance with the SGX-ST disclosure requirements.
14.2	Companies should ensure that shareholders have the opportunity to participate effectively in and vote at general meetings of shareholders. Shareholders should be informed of the rules, including voting procedures, that govern general meetings of shareholders.	Shareholders are informed of shareholders' meetings through notices contained in annual reports or circulars sent to all shareholders. These notices are also published in the Business Times and posted onto the SGXNET. Shareholders are invited to attend the general meetings to put forth any questions they may have on the motions to be debated and decided upon. Shareholders are given ample opportunity to attend, participate and vote at the Company's general meetings. The Company's Constitution allows a shareholder to appoint up to two proxies to attend a shareholder's meeting on his behalf.
14.3	Companies should allow corporations which provide nominee or custodial services to appoint more than two proxies so that shareholders who hold shares through such corporations can attend and participate in general meetings as proxies.	In line with the amendments to the Companies Act, corporate shareholders of the Company which provide nominee or custodial services to third parties may appoint more than two proxies to attend and vote on their behalf at general meetings.
SHAREHOLDER RIGHTS AND RESPONSIBILITIES		
Communication with Shareholders		
15.1 15.2 15.3 15.4	(a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors? (b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role? (c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the Annual Report?	The Board is mindful of the obligation to provide regular, effective and fair communication with shareholders. Information is communicated to the shareholders on a timely basis. Where inadvertent disclosure has been made to a select group, the Company will make the same disclosure publicly to all others as soon as practicable. The Board provides shareholders with an assessment of the Company's performance, position and prospects on a quarterly basis via the quarterly announcements of results; and other ad hoc announcements as required by the SGX-ST. The Company's Annual Report is sent to all shareholders and is available on request. The Company's latest Annual Report is also accessible via the Company's website.

		While the AGM of the Company is a principal forum for dialogue and interaction with all shareholders, the Company will consider use of other forums such as analyst briefings as and when applicable. Shareholders, investors or analysts may also send their queries or concerns to the Company's investor relations team, whose contact details can be found on the Company's website. Apart from the SGXNET announcements and its Annual Report, the Company updates shareholders on its corporate developments through its corporate website. The Company has procedures in place for responding to investors' queries.
15.5	Does the Company have a dividend policy?	The Company has on 7 November 2016 announced that it has adopted a dividend policy which aims to provide shareholders with a dividend payout of S$0.01 per ordinary share of the Company per annum. The dividends may be paid on a periodic basis, based on resolutions approved by the Board and/or paid on a yearly basis, based on resolutions approved at the Company's annual general meeting.
	Is the Company paying dividends for the financial year? If not, please explain why.	The Board has recommended the paying of a dividend of S$0.01 per ordinary share of the Company for FY2016.
CONDUCT OF SHAREHOLDER MEETINGS		
16.1 16.2 16.3 16.4 16.5	How are the general meetings of shareholders conducted?	The Board welcomes the view of shareholders on matters affecting the Company, whether at shareholders' meetings or on an ad hoc basis. Shareholders are informed of shareholders' meetings through notices published in the newspapers and reports or circulars sent to all shareholders. Separate resolutions are proposed for substantially separate issues at shareholders' meetings. The Chairman of the Board and the Chairmen of the ARMC, NC, RC, IC and CDC as well as the external auditors are usually available at the general meetings to answer those questions relating to the work of these committees. The external auditors are also present to address the shareholders' queries about the conduct of the audit and the preparation and content of the auditors' report.

		The Constitution of the Company allows members of the Company who are individuals to appoint up to two proxies to attend and vote on their behalf through proxy forms sent in advance. The Company prepares minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management, and these minutes are available upon request by shareholders. Pursuant to the amendments of the Companies Act effective from 3 January 2016, corporations which provide nominee or custodial services and are members of the Company are entitled to appoint more than two proxies so that shareholders who hold shares through such corporations can attend and participate in general as proxies. To enhance shareholder participation, the Group puts all resolutions at general meeting to vote by poll and announces the results by showing the number of votes cast for and against each resolution and the respective percentage to the audience at the general meetings. With effect from the forthcoming AGM, the Company will put all resolutions to vote by manual polling.

COMPLIANCE WITH APPLICABLE LISTING RULES		
Listing Rule	**Rule Description**	**Company's Compliance or Explanation**
712, 715 or 716	Appointment of Auditors	The Company confirms its compliance with Rules 712 and 715 of the Listing Manual.
1207(8)	Material Contracts	Pursuant to Rule 1207(8) of the Listing Manual, the Company confirms that except as disclosed in the Directors' Statement and Financial Statements (pages 63 to 151), there were no other material contracts and loans of the Company and its subsidiaries involving the interests of the CEO or any Director or controlling shareholder, either still subsisting at the end of FY2016 or if not then subsisting, which were entered into since the end of the previous financial year.
1207(10)	Confirmation of adequacy of internal controls	Please refer to guideline 11.3 above.
1207(17)	Interested Person Transaction ("**IPT**")	The Company has adopted an internal policy in respect of any transaction with an interested person, which sets out the procedures for review and approval of such transaction.

All interested person transactions will be documented and submitted periodically to the ARMC for their review to ensure that such transactions are carried out on an arm's length basis and on normal commercial terms and are not prejudicial to the Company.

The ARMC reviewed the following significant transactions entered into by the Company with its interested persons for the financial year ended 31 December 2016 in accordance with its existing procedures:-

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
Chiway Holding Group Co., Ltd. (中锐控股集团有限公司)	RMB4.8 million (Lease of property from Chiway Holding: 1 year lease from 1 January 2016 to 31 December 2016)	–
Wuxi Yinsufan Trading Co., Ltd. (无锡音速凡贸易有限公司)	RMB0.48 million (Lease of property from Wuxi Yinsufan: 1 year lease from 1 November 2015 to 31 October 2016, and renewed from 1 November 2016 to 31 October 2017)	–
Suzhou Chiway Hivle Co., Ltd. (苏州中锐华府实业有限公司)	RMB0.46 million (Provision by Suzhou Hivle of hotel accommodation and at Suzhou Hivle Mansion for the Group's employees and business associates)	–

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<tr><td>Eton House International School Wuxi (无锡依顿国际学校)</td><td>RMB1.7 million (Lease of property to Eton House: 5 years lease from 18 February 2012 to 17 February 2017)</td><td>–</td></tr>
<tr><td>Xuzhou Whalton International School (徐州华顿国际学校)</td><td>RMB1.0 million (Lease of property to Xuzhou Whalton: 10 year lease from 1 September 2014 to 31 August 2024)</td><td>–</td></tr>
<tr><td>Chiway International Group(S) Pte Ltd</td><td>RMB3.2 million (Interest paid to Chiway International Group(S) Pte Ltd.: 1 year loan from 1 June 2015 to 26 August 2016 with the principal of AUD10 million and interest rate of 6.4% per annum)</td><td>–</td></tr>
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<td>1207(19)</td>
<td>Dealing in Securities</td>
<td>The Company has adopted policies in line with the requirements of the Listing Manual of the SGX-ST on dealings in the Company’s securities.

The Company, its Directors and officers are also discouraged from dealing in the Company’s shares on short-term considerations or when they are in possession of unpublished price-sensitive information. They are not allowed to deal in the Company’s shares during the periods commencing two weeks before the announcement of the Company’s financial statements for each of the first three quarters of the financial year and one month before the Company’s full year financial statements and ending on the date of the announcement of the relevant financial results.</td>
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<td>1207(20)</td>
<td>Use of Proceeds</td>
<td>The Company has not, in FY2016, raised any proceeds from undertaking offerings under Chapter 8 of the Listing Manual.</td>
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Table 1 – Board and Board Committees

Name of Director	Audit and Risk Management Committee Meetings	Nominating Committee Meetings	Remuneration Committee Meetings	Investment Committee Meetings	Corporate Disclosure Committee Meetings
Qian Jianrong	–	Member	–	Chairman	–
Chua Hwee Song	–	–	–	Member	Member
Tian Honglei	–	–	–	Member	Member
Thio Shen Yi	Member	Chairman	Member	–	Chairman
Kwok Wei Woon	Chairman	Member	Member	Member	–
Lai Huen Poh	Member	Member	Chairman	–	–

Table 2 – Attendance at Board and Board Committee Meetings

Name of Director	Board Meetings		Audit and Risk Management Committee Meetings		Nominating Committee Meetings		Remuneration Committee Meetings		Investment Committee Meetings[1]		Corporate Disclosure Committee Meetings[1]	
	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended
Qian Jianrong	4	4	4	4	2	2	2	2	0	0	0	0
Chua Hwee Song[2]	4	4	4	4	2	2	2	2	0	0	0	0
Tian Honglei	4	4	4	4	2	2	2	2	0	0	0	0
Thio Shen Yi[3]	4	2	4	2	2	1	2	1	0	0	0	0
Kwok Wei Woon	4	3	4	3	2	2	2	2	0	0	0	0
Lai Huen Poh[4]	4	2	4	2	2	1	2	1	0	0	0	0
Poh Chee Kuan[5]	4	1	4	1	1	1	1	1	0	0	0	0
Li Bin[6]	4	2	4	1	1	0	1	0	0	0	0	0

1. The Investment Committee and Corporate Disclosure Committee were constituted on 1 July 2016. The first meeting of the Investment Committee and Corporate Disclosure Committee were held on 15 February 2017.

2. Mr. Chua Hwee Song was re-designated as Executive Director and appointed as CFO of the Company on 1 June 2016.

3. Mr. Thio Shen Yi was appointed as a Director of the Company on 1 July 2016.

4. Mr. Lai Huen Poh was appointed as a Director of the Company on 28 July 2016.

5. Mr. Poh Chee Kuan resigned as a Director of the Company on 26 April 2016.

6. Mr. Li Bin resigned as a Director of the Company on 1 July 2016.

Table 3(i) – Remuneration of Directors

Remuneration Band	Name	Salary and CPF (%)	Bonus & Profit Sharing (%)	Other Benefits and Allowances (%)	Directors' Fees (%)[1]	Total (%)
Band B[3]	Qian Jianrong	50	25	25	–	100
Band A[2]	Chua Hwee Song	97	0	3	–	100
Band B	Tian Honglei	47	50	3	–	100
Band A	Thio Shen Yi	–	–	–	100	100
Band A	Kwok Wei Woon	–	–	–	100	100
Band A	Lai Huen Poh	–	–	–	100	100

1. Includes fee for directorships held in the Company.
2. Band A means below S$250,000.
3. Band B means from S$250,000 to S$500,000.

A breakdown, showing the remuneration band of the top five key management personnel's remuneration for the financial year ended 31 December 2016 is as follows:

Table 3 (ii) – Remuneration of Key Management Personnel

Remuneration Band	Name	Salary and CPF (%)	Bonus (%)	Other Benefits and Allowances (%)	Total (%)
Band B[2]	Li Bin	52.0	47.4	0.6	100
Band B	Chen Min	73.0	27.0	–	100
Band B	Gong Ming	47.8	51.6	0.7	100
Band B	Ru Wenyan	38.9	58.2	2.9	100
Band B	Li Liangchao	29.4	65.8	4.7	100

1. Band A means below S$250,000.
2. Band B means from S$250,000 to S$500,000.

Table 4 – List of Key Audit Matters

Key Audit Matters	How the ARMC reviewed these matters and what decisions were made
Valuation of investment properties	The ARMC considered the approach and methodology applied to the valuation of the investment properties. The accounts adopted the values determined by the independent valuers. The ARMC reviewed the reasonableness of the key assumptions used and the procedures taken where rates were outside the expected range in the valuation model. The valuation of investment properties was also an area of focus for the external auditor. The external auditor has included this item as a key audit matter in its audit report for the financial year ended 31 December 2016. Refer to page 67 of this Annual Report.
Valuation of development properties	The ARMC received from management and reviewed the estimation and determination of net realisable values of development properties which are dependent on the Group's expectations of future selling prices. The valuation of development properties was also an area of focus for the external auditor. The external auditor has included this item as a key audit matter in its audit report for the financial year ended 31 December 2016. Refer to page 68 of this Annual Report.
Accuracy of land appreciation tax expense	The ARMC received from management and reviewed the basis used to determine land appreciation tax ("LAT") expenses. The ARMC also considered the interpretation made by management on the tax laws and regulations when applying the tax rates used in the estimation of LAT. The accuracy of land appreciation tax expense was also an area of focus for the external auditor. The external auditor has included this item as a key audit matter in its audit report for the financial year ended 31 December 2016. Refer to page 68 of this Annual Report.
Accounting for trust financing arrangements on two development property projects	The ARMC received from management and reviewed the cooperative agreements entered into with a trust financing company for financing to support two property development projects, and further reviewed management's assessment of the accounting basis for the arrangements with the trust financing company, including the judgements made by management in forming their assessments and views that the Group retains control over the project companies to which the trust financing company has provided financing in the form of equity. The accounting for trust financing arrangements on two development property projects was also an area of focus for the external auditor. The external auditor has included this item as a key audit matter in its audit report for the financial year ended 31 December 2016. Refer to page 69 of this Annual Report.

FINANCIAL CONTENTS

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2016.

In our opinion:

(a) the financial statements set out on pages 72 to 151 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2016 and the financial performance, changes in equity and cash flows of the Group for the year then ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The directors in office at the date of this statement are as follows:

Qian Jianrong	Executive Chairman and Chief Executive Officer
Chua Hwee Song	Executive Director and Chief Financial Officer
Tian Honglei	Executive Director
Thio Shen Yi	Lead Independent Director (Appointed on 1 July 2016)
Kwok Wei Woon	Independent Director
Lai Huen Poh	Independent Director (Appointed on 28 July 2016)

Change of name

During the financial year, the Company changed its name from Chiwayland International Limited to CWG International Ltd.

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the Act), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

	Direct interests		**Deemed interests**	
Name of director and corporation in which interests are held	**Holdings at beginning of the year**	**Holdings at end of the year**	**Holdings at beginning of the year**	**Holdings at end of the year**
Ultimate and immediate holding company				
Sinway Investments Co., Ltd				
Ordinary shares				
Qian Jianrong	80.0	86.0	–	–
Tian Honglei	2.0	2.2	–	–
The Company				
Ordinary shares ('000)				
Qian Jianrong	–	–	536,025[(1)]	499,241[(2)]
Chua Hwee Song	–	–	–	300[(3)]

(1) At the beginning of the financial year, Mr. Qian Jianrong owns 80% of the equity interest in Sinway Investment Co., Ltd., and is therefore deemed to be interested in the shares in the Company held by Sinway Investment Co., Ltd. The other shareholders of Sinway Investment Co., Ltd. are Mr. Mao En (7%), Mr. Gong Ming (4%), Mr. Liu Dahong (4%), Mr. Wu Hongzhi (3%) and Mr. Tian Honglei (2%).

(2) Following an internal restructuring of Sinway Investment Co., Ltd in March 2016, Mr. Qian Jianrong owns 86% of the equity interest in Sinway Investment Co., Ltd., and is therefore deemed to be interested in the shares in the Company held by Sinway Investment Co., Ltd. The other shareholders of Sinway Investment Co., Ltd. are Mr. Mao En (7.5%), Mr. Gong Ming (4.3%), and Mr. Tian Honglei (2.2%).

(3) Mr. Chua Hwee Song is deemed interested in 150,000 shares of the Company held by Philip Securities Pte. Ltd. as nominee and another 150,000 shares in the Company held by CIMB Securities (Singapore) Pte Ltd as nominee.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year, date of appointment if later, or at the end of the financial year.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 January 2017.

Share options

During the financial year, there were:

(i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under options.

Audit and Risk Management Committee

The members of the Audit and Risk Management Committee during the year and at the date of this statement are:

Kwok Wei Woon (Chairman)	Independent Director
Thio Shen Yi	Independent Director
Lai Huen Poh	Independent Director

The Audit and Risk Management Committee performs the functions specified in Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance.

The Audit and Risk Management Committee has held four meetings since the last directors' statement. In performing its functions, the Audit and Risk Management Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit and Risk Management Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption;
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual); and
- significant matters impacting the financial statements and the accounting principles and judgement of items as adopted by management for these significant matters.

The Audit and Risk Management Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit and Risk Management Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit and Risk Management Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing our auditors for the Company and its subsidiaries, we have complied with Rules 712 and 715 of the SGX Listing Manual.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Qian Jianrong
Executive Chairman and Chief Executive Officer

Chua Hwee Song
Executive Director and Chief Financial Officer

31 March 2017

Report on the audit of the financial statements

Opinion

We have audited the financial statements of CWG International Ltd. (formerly known as Chiwayland International Limited) ('the Company') and its subsidiaries ('the Group'), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2016, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 72 to 151.

In our opinion, the accompanying consolidated financial statements of the Group and statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ('the Act') and Financial Reporting Standards in Singapore ('FRSs') so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2016 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ('SSAs'). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements' section of our report*. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ('ACRA Code') together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties
(Refer to Note 5 to the financial statements)

The key audit matter

The Group owns investment properties comprising commercial properties in the People's Republic of China ('PRC'). These investment properties are stated at their fair values based on independent external valuations.

The valuation process involves significant judgement in determining the appropriate valuation methods to be used, and in estimating the key underlying assumptions to be applied. The valuations are sensitive to key assumptions applied, including those relating to capitalisation rates and estimates of future rental rates. Changes in these assumptions will impact the valuation of the investment properties.

Key audit matters (cont'd)

How the matter was addressed in our audit

We evaluated the competency and objectivity of the valuer engaged by the Group and held discussions with the valuer to understand the valuation methodologies adopted and the key assumptions made by the valuer in computing the fair value of investment properties.

We considered the valuation methodologies used in the valuations against those applied by other valuers for similar property types. We tested the reasonableness of key inputs of the projected cash flows used in the valuations. We also assessed the key assumptions used in the valuations, including the capitalisation rates and estimated rental rates by comparing to historical rates and available industry data, taking into consideration comparability and market factors.

Valuation of development properties
(Refer to Note 9 to the financial statements)

The key audit matter

The Group's development properties are located in the PRC and Australia. Development properties are stated at the lower of cost and net realisable value. The determination of the net realisable value of the development properties is dependent on the Group's expectations of future selling prices.

The slowdown in the Chinese economy and government policies to control property prices might exert pressure on development property prices. The future trends in the Chinese and Australian property markets may also deviate from known trends based on past experiences. There is a risk that the Group's estimates of net realisable values may exceed future selling prices, which may result in the development properties having to be written down.

How the matter was addressed in our audit

Our work focused on development projects of the Group and its joint ventures with slower than expected sales or with low or negative margins. We tested the Group's estimates of future selling prices by comparing the prices to, where available, recently transacted prices and/or prices of comparable properties located in the same vicinity of the respective development projects. We evaluated the Group's estimated total development costs for development properties by comparing the budgeted costs to contracts and agreements, taking into consideration the costs incurred to-date, status of construction progress and deviation in design plans or cost overruns, if any.

Accuracy of land appreciation tax expense
(Refer to Note 25 to the financial statements)

The key audit matter

The Group is exposed to land appreciation tax ('LAT') arising from the sales of development properties in various China provinces. LAT is calculated by applying progressive LAT rates on the proceeds from the sale of properties less deductible expenditures.

The LAT legislation in the PRC is implemented by respective provincial government and its implementation varies amongst different provinces. In certain circumstances, due to the complexity of the tax laws and regulations, the basis of calculation of tax payable, in particular for LAT, requires interpretation by the local tax bureaus and the actual tax payable may vary from the amounts estimated by the Group. Significant judgement is required in the determination of the tax rate to be applied to the different types of properties sold and the deductibility of expenditures.

Key audit matters (cont'd)

How the matter was addressed in our audit

We assessed the Group's judgements made in their interpretations of the LAT requirements, including the determination of the applicable tax rates to be applied to development properties and deductibility of different types of development expenditures. We also reviewed the current status of open tax positions and reviewed the Group's correspondences with the tax authorities.

Accounting for trust financing arrangements on two development property projects
(Refer to Note 18 to the financial statements)

The key audit matter

During the current year, the Group entered into co-operative agreements with a trust finance company to obtain financing to support the development of two property projects.

The trust finance company invested in the property development projects via a combination of equity interests in the intermediate holding companies of the property development companies and shareholders' loan extended to the property development companies (collectively "Project Companies").

The accounting of these arrangements involves judgement as it entails assessing whether the Group continues to controls these subsidiaries. Such an assessment requires judgement in determining:

- the nature and extent of substantive power that the trust finance company has over the relevant activities of the Project Companies;
- the extent of the trust finance company's exposure to the variability in returns from the development property projects and its exposure to the risk of loss on its principal investment into the Project Companies; and
- the trust finance company's ability to use its rights under the arrangements to affect its investment returns.

How the matter was addressed in our audit

We read the cooperative agreements and the minutes of shareholders' meetings and board of directors' meetings of the Project Companies, and considered the nature and extent of powers that the trust finance company has under the arrangements.

We reviewed the status of the property development projects and assessed the ability of the trust finance company to direct the activities of the Project Companies that most significantly affect their economic performance.

Other Information

Management is responsible for the other information. The other information comprises the Corporate Profile, Timeline, Property Portfolio, Chairman's Message, Interview With Group CFO & Executive Director, Organisation Structure, Board of Directors, Key Management, Corporate Governance, Directors' Statement, and Statistics of Shareholdings (the 'Reports').

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Other Information (cont'd)

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations of the Group, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Auditors' responsibilities for the audit of the financial statements (cont'd)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Loo Kwok Chiang, Adrian.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
31 March 2017

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2016

	Note	Group 2016 RMB'000	Group 2015 RMB'000	Company 2016 RMB'000	Company 2015 RMB'000
Assets					
Property, plant and equipment	4	4,822	5,714	–	3
Investment properties	5	1,190,200	993,200	–	–
Subsidiaries	6	–	–	1,441,794	1,378,109
Joint ventures	7	98,813	15,062	–	–
Associate	7	4,438	–	–	–
Deferred tax assets	8	121,358	42,961	–	–
Other receivables	12	176,928	–	–	–
Non-current assets		1,596,559	1,056,937	1,441,794	1,378,112
Development properties	9	7,698,063	5,597,862	–	–
Contract work-in-progress	10	397,888	382,998	–	–
Financial assets	11	55,000	250,000	–	–
Trade receivables, other receivables and advance payments	12	3,542,347	2,664,697	275,089	195,028
Cash and cash equivalents	13	2,027,412	1,203,532	4,996	300
Current assets		13,720,710	10,099,089	280,085	195,328
Total assets		15,317,269	11,156,026	1,721,879	1,573,440
Equity					
Share capital	14	298,577	298,577	1,582,272	1,582,272
Reserves	15	331,511	216,630	(5,533)	(153,254)
Equity attributable to owners of the Company		630,088	515,207	1,576,739	1,429,018
Other equity instruments	16	214,695	214,695	143,781	143,781
		844,783	729,902	1,720,520	1,572,799
Non-controlling interests	17	642,623	516,317	–	–
Total equity		1,487,406	1,246,219	1,720,520	1,572,799
Liabilities					
Loans and borrowings	18	5,622,556	3,144,601	–	–
Deferred tax liabilities	8	115,873	121,440	–	–
Non-current liabilities		5,738,429	3,266,041	–	–
Loans and borrowings	18	2,501,394	1,075,260	–	–
Trade payables, other payables and advance receipts	19	4,902,055	5,078,377	1,359	641
Advance receipts from government	10	439,853	439,853	–	–
Tax payable		248,132	50,276	–	–
Current liabilities		8,091,434	6,643,766	1,359	641
Total liabilities		13,829,863	9,909,807	1,359	641
Total equity and liabilities		15,317,269	11,156,026	1,721,879	1,573,440

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the Financial Year ended 31 December 2016

	Note	Group 2016 RMB'000	Group 2015 RMB'000
Revenue	20	4,780,461	3,577,293
Cost of sales		(3,863,012)	(3,279,475)
Gross profit		917,449	297,818
Other income	21	5,992	94,990
Selling and distribution expenses		(134,422)	(76,320)
Administrative expenses		(140,676)	(98,252)
Other expenses		(22,085)	(12,299)
Results from operating activities		626,258	205,937
Net finance costs	23	(55,345)	(41,387)
Share of results of joint ventures and associate, net of tax	7	328	(1,348)
Profit before tax	24	571,241	163,202
Tax expense	25	(300,694)	(91,940)
Profit for the year		270,547	71,262
Profit attributable to:			
Owners of the Company		116,740	37,663
Non-controlling interests		153,807	33,599
Profit for the year		270,547	71,262
Earnings per share			
Basic and diluted earnings per share (RMB cents)	32	14.23	3.53

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Financial Year ended 31 December 2016

	Group	
	2016	**2015**
	RMB'000	**RMB'000**
Profit for the year	270,547	71,262
Other comprehensive income/(loss)		
Items that are or may be reclassified subsequently to profit or loss:		
Foreign currency translation differences on foreign operations/ Other comprehensive income/(loss) for the year, net of tax	11,723	(2,998)
Total comprehensive income for the year	282,270	68,264
Total comprehensive income attributable to:		
Owners of the Company	128,464	34,665
Non-controlling interests	153,806	33,599
Total comprehensive income for the year	282,270	68,264

The accompanying notes form an integral part of these financial statements.

For the Financial Year ended 31 December 2016

Group	Note	Share capital RMB'000	Merger reserve RMB'000	Statutory reserve RMB'000	Foreign currency translation reserve RMB'000	Accumulated profits RMB'000	Total ordinary equity RMB'000	Other equity instruments RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2015		298,577	(44,710)	102,663	(114,929)	244,872	486,473	143,781	630,254	404,148	1,034,402
Total comprehensive income for the year											
Profit for the year		–	–	–	–	37,663	37,663	–	37,663	33,599	71,262
Other comprehensive loss											
Foreign currency translation differences on foreign operations		–	–	–	(2,998)	–	(2,998)	–	(2,998)	–	(2,998)
Total other comprehensive loss		–	–	–	(2,998)	–	(2,998)	–	(2,998)	–	(2,998)
Total comprehensive (loss)/ income for the year		–	–	–	(2,998)	37,663	34,665	–	34,665	33,599	68,264
Transaction with owners, recognised directly in equity											
Contributions by and distributions to owners											
Capital contribution by non-controlling interests		–	–	–	–	–	–	–	–	45,000	45,000
Issuance of redeemable perpetual preference shares by a subsidiary	16	–	–	–	–	–	–	70,914	70,914	–	70,914
Dividends paid to holders of perpetual capital securities	16	–	–	–	–	(12,361)	(12,361)	–	(12,361)	–	(12,361)
Total contributions by and distributions to owners		–	–	–	–	(12,361)	(12,361)	70,914	58,553	45,000	103,553
Changes in ownership interests in subsidiaries											
Disposal of interest in a subsidiary without a change in control	26	–	–	–	–	6,430	6,430	–	6,430	33,570	40,000
Total changes in ownership interests in subsidiaries		–	–	–	–	6,430	6,430	–	6,430	33,570	40,000
Total transactions with owners		–	–	–	–	(5,931)	(5,931)	70,914	64,983	78,570	143,553
Others											
Transfer to statutory reserve		–	–	11,104	–	(11,104)	–	–	–	–	–
At 31 December 2015		298,577	(44,710)	113,767	(117,927)	265,500	515,207	214,695	729,902	516,317	1,246,219

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year ended 31 December 2016

Group	Note	Share capital RMB'000	Reserve for own shares RMB'000	Merger reserve RMB'000	Statutory reserve RMB'000	Foreign currency translation reserve RMB'000	Accumulated profits RMB'000	Total ordinary equity RMB'000	Other equity instruments RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2016		298,577	–	(44,710)	113,767	(117,927)	265,500	515,207	214,695	729,902	516,317	1,246,219
Total comprehensive income for the year												
Profit for the year		–	–	–	–	–	116,740	116,740	–	116,740	153,807	270,547
Other comprehensive income/(loss)												
Foreign currency translation differences on foreign operations		–	–	–	–	11,724	–	11,724	–	11,724	(1)	11,723
Total other comprehensive income/(loss)		–	–	–	–	11,724	–	11,724	–	11,724	(1)	11,723
Total comprehensive income for the year		–	–	–	–	11,724	116,740	128,464	–	128,464	153,806	280,270
Transaction with owners, recognised directly in equity												
Contributions by and distributions to owners												
Capital contribution by non-controlling interests		–	–	–	–	–	–	–	–	–	6,000	6,000
Capital reduction in respect of non-controlling interests		–	–	–	–	–	–	–	–	–	(17,500)	(17,500)
Purchase of treasury shares	15	–	(522)	–	–	–	–	(522)	–	(522)	–	(522)
Dividends paid to holders of perpetual capital securities	16	–	–	–	–	–	(12,948)	(12,948)	–	(12,948)	–	(12,948)
Dividends declared to non-controlling interests		–	–	–	–	–	–	–	–	–	(16,000)	(16,000)
Total contributions by and distributions to owners		–	(522)	–	–	–	(12,948)	(13,470)	–	(13,470)	(27,500)	(40,970)
Changes in ownership interests in subsidiaries												
Acquisition of non-controlling interests without a change in control		–	–	–	–	–	(113)	(113)	–	(113)	–	(113)
Total changes in ownership interests in subsidiaries		–	–	–	–	–	(113)	(113)	–	(113)	–	(113)
Total transactions with owners		–	(522)	–	–	–	(13,061)	(13,583)	–	(13,583)	(27,500)	(41,083)
Others												
Transfer to statutory reserve		–	–	–	39,100	–	(39,100)	–	–	–	–	–
At 31 December 2016		**298,577**	**(522)**	**(44,710)**	**152,867**	**(106,203)**	**330,079**	**630,088**	**214,695**	**844,783**	**642,623**	**1,487,406**

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial Year ended 31 December 2016

	Note	Group 2016 RMB'000	Group 2015 RMB'000
Cash flows from operating activities			
Profit for the year		270,547	71,262
Adjustments for:			
Changes in fair value of investment properties	5	3,270	(91,802)
Depreciation of property, plant and equipment	4	1,939	2,496
Gain on disposal of financial assets available-for-sale		(2,150)	(589)
Gain on disposal of property, plant and equipment(net)		(58)	(538)
Impairment loss on investment in financial asset available-for-sale		–	2,250
(Reversal)/Recognition of impairment loss on development properties		(8,939)	47,459
Net finance costs		55,345	41,387
Share of results of joint ventures and associate		(328)	1,348
Gain on liquidation of joint venture		(920)	–
Foreign exchange loss		16,462	123
Tax expense		300,694	91,940
		635,862	165,336
Changes in:			
- Development properties		(1,667,349)	1,434,324
- Trade receivables, other receivables and advance payments		(902,953)	(1,668,581)
- Construction costs incurred on contract work-in-progress		(14,890)	(1,697)
- Trade payables, other payables and advance receipts		(104,647)	919,618
Cash generated from operations		(2,053,977)	849,000
Tax paid		(132,993)	(100,328)
Net cash from operating activities		(2,186,970)	748,672
Cash flows from investing activities			
Acquisition of financial assets available-for-sale		(55,000)	(250,000)
Acquisition of property, plant and equipment		(1,149)	(448)
Decrease/(Increase) in amounts due from related corporations, non-trade		6,274	(8,265)
Decrease/(Increase) in amounts due from non-controlling interests, non-trade		125,998	(197,500)
Increase in amounts due from joint ventures		(210,631)	(12,056)
Increase in amounts due from associate		(126,449)	–
Development expenditure incurred on investment properties		(200,270)	(93,598)
Investments in joint ventures		(97,775)	–
Investments in associate		(4,900)	–
Dividend from joint ventures		–	8,000
Interest received		32,420	16,478
Proceeds from liquidation of joint ventures		15,734	–
Proceeds from disposal of financial assets available-for-sale		252,150	256,858
Proceeds from disposal of property, plant and equipment		160	607
Net cash used in investing activities		(263,438)	(279,924)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial Year ended 31 December 2016

	Note	Group 2016 RMB'000	Group 2015 RMB'000
Cash flows from financing activities			
Proceeds from disposal of interest in subsidiaries without a change in control	26	–*	40,000
Capital contribution from non-controlling interests		6,000	45,000
Capital reduction in respect of non-controlling interests		(17,500)	–
Acquisition of non-controlling interests		(113)	–
Interest paid		(520,617)	(425,816)
Dividends paid		(28,948)	(27,361)
Increase in restricted cash		(186,810)	(20,561)
Decrease in amount due to director		–	(810)
Increase/(Decrease) in amounts due to related corporations		9,830	(60,789)
Decrease in amounts due to non-controlling interests		(14,779)	(262,400)
Decrease in amounts due to joint ventures		–	(53,803)
Decrease in bills payable		(67,250)	(42,100)
Proceeds from issuance of redeemable perpetual preference shares		–	70,914
Proceeds from issuance of redeemable preference shares		55,000	–
Proceeds from issuance of unquoted debt securities		464,297	111,260
Proceeds from borrowings from financial institutions		5,405,290	1,093,035
Repayment of borrowings from financial institutions		(2,637,853)	(2,317,260)
Proceeds from borrowings from non-controlling interests		2,325,236	1,435,000
Repayment of borrowings from non-controlling interests		(1,620,000)	–
Repayment of issued unquoted debt securities		(87,880)	–
Net cash from/(used in) financing activities		3,083,903	(415,691)
Net increase in cash and cash equivalents		633,495	53,057
Cash and cash equivalents at 1 January		985,301	933,604
Effect of exchange rate changes on cash held		3,575	(1,360)
Cash and cash equivalents at 31 December	13	1,622,371	985,301

* Amount below RMB1,000

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 31 March 2017.

1 Domicile and activities

CWG International Ltd. (formerly known as Chiwayland International Limited) (the "Company") is incorporated in the Republic of Singapore and has its registered office at 6 Eu Tong Sen Street #04-08, The Central, Singapore 059817.

The Company changed its name from Chiwayland International Limited to CWG International Ltd. on 7 November 2016.

The financial statements of the Group as at and for the year ended 31 December 2016 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's investments in joint ventures and associate.

The principal activity of the Company is that of an investment holding company. The principal activities of the Group entities are set out in Note 6 to the consolidated financial statements.

The immediate and ultimate holding company during the year was Sinway Investment Co., Ltd., a company incorporated in the British Virgin Islands.

2 Basis of preparation

2.1 Statement of compliance

The financial statements are prepared in accordance with the Singapore Financial Reporting Standards ("FRSs").

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise indicated.

2.3 Functional and presentation currency

The financial statements of the Group's entities are measured in the currency of primary environment in which the entities operate. The financial statements are presented in Renminbi ("RMB"), which is the presentation currency of the Group. The functional currency of the Company is Singapore Dollar ("SGD"). As the Group mainly operates in People's Republic of China (the "PRC"), RMB is used as the presentation currency of the Group and the Company. All financial information presented in RMB have been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgments

The preparation of the financial statements in conformity with FRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2 Basis of preparation (cont'd)

2.4 Use of estimates and judgments (cont'd)

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements, and in arriving at estimates with a significant risk of resulting in a material adjustment within the next financial year are discussed in note 34.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 : quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2 : inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

Further information about the assumptions made in measuring fair values is included in notes 5 and 28.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities.

3.1 Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method in accordance with FRS 103 *Business Combinations* as at the date of acquisition, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

3 Significant accounting policies (cont'd)

3.1 Basis of consolidation (cont'd)

(i) Business combinations (cont'd)

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition-date fair value, unless another measurement basis is required by FRSs.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

3 Significant accounting policies (cont'd)

3.1 Basis of consolidation (cont'd)

(iii) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose, comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognised directly in equity.

(iv) Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(v) Investments in associate and joint ventures

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the joint arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in associate and joint ventures are accounted for using the equity method (equity-accounted investee) and are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

3 Significant accounting policies (cont'd)

3.1 Basis of consolidation (cont'd)

(vi) Joint operations

A joint operation is a joint arrangement whereby parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement.

A joint operator recognises in its consolidated and separate financial statements, its interest in the joint operation as follows:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the share of its output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

Hillwood Pty Ltd, a wholly-owned subsidiary of the Group, is a 60% partner in a joint arrangement to carry out development property activities in Roseville, New South Wales, Australia. The joint arrangement is not structured as a separate legal vehicle with the Group instead having rights to certain assets, liabilities, income and expenses through the arrangement. The Group has joint control of the arrangement and has recognised its interest in the assets, liabilities, income and expenses arising from the joint arrangement.

(vii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(viii) Subsidiaries in the separate financial statements

Investments in subsidiaries in the Company's statement of financial position are stated at cost less accumulated impairment losses.

3.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at the reporting date. The foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

3 Significant accounting policies (cont'd)

3.2 Foreign currency (cont'd)

(i) Foreign currency transactions (cont'd)

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to RMB at exchange rates at the reporting date. The income and expenses of foreign operations are translated to RMB at exchange rates at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rates at the reporting date.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in other comprehensive income, and are presented in the translation reserve in equity.

3.3 Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

3 Significant accounting policies (cont'd)

3.3 Financial instruments (cont'd)

(i) Non-derivative financial assets (cont'd)

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories: financial assets available-for-sale and loans and receivables.

Financial assets available-for-sale

Financial assets available-for-sale are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets. Financial assets available-for-sale are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Financial assets available-for-sale comprise debt securities.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade receivables, other receivables and advance payments, excluding prepayments, and cash and cash equivalents.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the statement of cash flows, pledged deposits are excluded, whilst bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

(ii) Non-derivative financial liabilities

All financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or when they expire.

3 Significant accounting policies (cont'd)

3.3 Financial instruments (cont'd)

(ii) Non-derivative financial liabilities (cont'd)

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, trade payables, other payables and advance receipts.

(iii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Repurchase and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own share account. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

Other equity instruments

The Group issued the following equity instruments:

Perpetual capital securities

The perpetual capital securities do not have a maturity date and the Company is able to elect to defer making a distribution subject to the term and conditions of the securities issued. Accordingly, the Company is not considered to have a contractual obligation to make principal repayments or distributions in respect of the perpetual capital securities issued and the perpetual capital securities are presented within equity. Distributions are treated as dividends which will be directly debited from equity. Incremental costs directly attributable to the issue of the perpetual capital securities are deducted against the proceeds from the issue.

Redeemable perpetual preference shares

Redeemable perpetual preference shares issued by a subsidiary are classified as equity as it is redeemable only at the option of a subsidiary, and any dividends are discretionary. The subsidiary has the ability to defer making a distribution subject to the terms and conditions of the equity instrument issued. Discretionary dividends thereon are recognised as distributions within equity upon approval by the shareholders of the issuer.

3 Significant accounting policies (cont'd)

3.4 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the cost of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as a separate item (major components) of property, plant and equipment.

The gains and losses on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

• Leasehold improvements	20 to 30 years
• Motor vehicles	5 years
• Office furniture and equipment	5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted as appropriate.

3 Significant accounting policies (cont'd)

3.5 Land use rights

Land use rights represent lease prepayments for acquiring rights to use land in the PRC with periods ranging from 40 to 70 years. Land use rights granted with consideration are recognised initially at acquisition cost. Land use rights are classified and accounted for in accordance with the intended use of the properties erected on the related land.

For investment properties, the corresponding land use rights are classified and accounted for as part of the investment properties, which are carried at fair value as described in note 3.6.

For properties that are developed for sale, the corresponding land use rights are classified and accounted for as part of the development properties.

3.6 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business, or for administrative purposes.

Investment properties are measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs. The fair value is determined based on independent professional valuation annually.

When an investment property is disposed of, the resulting gain or loss recognised in the profit or loss is the difference between the net disposal proceed and the carrying amount of the property.

Transfers to, or from, investment properties are made where there is a change in intent and use, evidenced by:

- development with a view to sell, for a transfer from investment properties to development properties for sale;
- commencement of leasing activities for a transfer from development properties for sale to investment properties;
- commencement of owner-occupation, for a transfer from investment properties to property, plant and equipment; and
- end of owner-occupation, for a transfer from property, plant and equipment to investment properties.

3 Significant accounting policies (cont'd)

3.7 Development properties

Development properties comprise:

Properties under development

Properties under development are those properties which are held with the intention of development and sale in the ordinary course of business. They are stated at the lower of cost and estimated net realisable value. Net realisable value represents the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses.

The development cost of property comprises costs of land use rights for properties under development for sale (see note 3.5), construction costs, finance costs (see note 3.14) and professional fees incurred during the development period. Finance costs payable on loans funding a development property are capitalised, on a specific identification basis, as part of the cost of the properties under development until the development is completed.

Completed properties held for sale

Completed properties held for sale are stated at the lower of cost and net realisable value.

Cost is determined by apportionment of the total land costs, development costs and capitalised borrowing costs based on floor area of the unsold properties.

Net realisable value is determined by reference to the sale proceeds of properties sold in the ordinary course of business, less applicable variable selling expenses, or by management estimates based on prevailing market conditions.

Reclassification to investment property

When the use of a property changes from development properties to investment property, the property is remeasured to fair value and reclassified accordingly. Any difference between the fair value of the property and its previous carrying amount at the date of transfer is recognised in profit or loss.

3.8 Contract work-in-progress

Contract work-in-progress is stated at cost. Contract work-in-progress is incurred on behalf of the local educational authorities in Suzhou, PRC. The contract work-in-progress is funded by the advances received from the Suzhou Municipal Government. The Group assesses the contract work-in-progress for evidence of impairment when the costs incurred on contract work-in-progress exceed the advances received from the Suzhou Municipal Government.

3.9 Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss, including an interest in an associate and joint venture, is assessed at the end of each reporting period to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the estimated future cash flows of that asset that can be estimated reliably.

3 Significant accounting policies (cont'd)

3.9 Impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

Objective evidence that financial assets (including equity and debt securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment. The Group considers a decline of 20% to be significant and a period of 9 months or longer to be prolonged.

Loans and receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant loans and receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Group considers that there are no realistic prospects of recovering the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Financial assets available-for-sale

Impairment losses on financial assets available-for-sale are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in cumulative impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed. The amount of the reversal is recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

3 Significant accounting policies (cont'd)

3.9 Impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

Associate and joint ventures

An impairment loss in respect of an associate or joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 3.9(ii). An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, development properties, contract work-in-progress and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment loss recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate or joint venture is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate or joint venture is tested for impairment as a single asset when there is objective evidence that the investment may be impaired.

3 Significant accounting policies (cont'd)

3.10 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

Pursuant to the relevant regulation of the PRC government, the PRC subsidiaries of the Group ("PRC Subsidiaries") have participated in central pension schemes (the "Schemes") operated by local municipal governments whereby the PRC subsidiaries are required to contribute a certain percentage of the basic salaries of their employees to the Schemes to fund their retirement benefits. The local municipal governments undertake to assume the retirement benefit obligations of all existing and future retired employees of the PRC subsidiaries. The only obligation of the PRC subsidiaries with respect to the Schemes is to pay the ongoing required contributions under the Schemes mentioned above. Contributions under the Schemes are accounted for as contributions to defined contribution plans as described above.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.11 Revenue recognition

(i) Sales of properties

Revenue from sales of properties is recognised when the control and risk and rewards of the properties have been transferred to the buyer, i.e. when the legal title passes to the buyer or when the equitable interest in the property vests in the buyer upon signing of the property handover notice by the buyer, whichever is the earlier. Payments received from buyers prior to this stage are recorded as advances from customers for sale of properties and are classified as current liabilities.

(ii) Rental income

Rental income from investment properties is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised in profit or loss as an integral part of the total rental income to be received. Contingent rentals are recognised as income in the accounting period in which they are earned.

(iii) Services rendered

Revenue in relation to property management service and consulting service are recognised when the services are rendered and related service fees become receivable.

3 Significant accounting policies (cont'd)

3.12 Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and that the Group will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognised as other income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

3.13 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

3.14 Finance income and finance costs

Finance income comprise interest income and is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expenses on loans and borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.15 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

- temporary differences relating to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

3 Significant accounting policies (cont'd)

3.15 Tax (cont'd)

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting date, to recover or settle the carrying amount of its assets and liabilities. Where investment properties are carried at their fair value in accordance with note 3.6, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held within a business model whose objective is to consume substantially all the economic benefits embodied in the investment property over time, rather than through sale. In all other cases, deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credit and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax periods based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgement about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Land appreciation tax ("LAT")

The Group is subject to LAT in the PRC. The provision for LAT is based on management's best estimates according to the understanding of the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon the completion of the property development projects. The Group has not finalised its LAT calculation and payments with the tax authorities for some of its property development projects. The final outcome could be different from the amounts that were initially recorded, and any differences will impact on the LAT expenses and the related provision in the period in which the difference realises.

3.16 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held and for the effects of all potential dilutive ordinary shares.

3 Significant accounting policies (cont'd)

3.17 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Executive Officer ("CEO") (the chief operating decision maker) to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, investment properties and intangible assets other than goodwill.

Segment total assets are the total assets utilised by the respective operating segment in its operations.

3.18 New standards and interpretations not adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2016 and earlier application is permitted; however, the Group has not early applied the new or amended standards in preparing these statements.

For those new standards and amendments to standards that are expected to have an effect on the financial statements of the Group and the Company in future financial periods, the Group assess the transition options and the potential impact on its financial statements, and plans to implement these standards. Management provides updates to the Board of Directors on the progress of implementing these standards. These updates cover project implementation status, key reporting and business risks and the implementation approach. The Group does not plan to adopt these standards early.

3 Significant accounting policies (cont'd)

3.18 New standards and interpretations not adopted (cont'd)

Applicable to 2018 financial statements

New standards

Summary of the requirements	**Potential impact on the financial statements**
FRS 115 *Revenue from Contracts with Customers*	
FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met. When effective, FRS 115 replaces existing revenue recognition guidance, including FRS 18 Revenue, FRS 11 *Construction Contracts* and INT FRS 115 *Agreements for the Construction of Real Estate*. FRS 115 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. FRS 115 offers a range of transition options including full retrospective adoption where an entity can choose to apply the standard to its historical transactions and retrospectively adjust each comparative period presented in its 2018 financial statements. When applying the full retrospective method, an entity may also elect to use a series of practical expedients to ease transition.	Based on its initial assessment, the Group preliminarily expects the following change: **Significant financing component** – There could be a deemed financing component arising from the sale of development projects in the PRC due to cash received in advance from the buyer prior to the handing over of the property units. Any deemed interest cost would be capitalised as part of the development costs which will be recognised as cost of sales when the property units are handed over to the buyers. **Transition** – The Group plans to adopt the standard when it becomes effective in 2018 using the full retrospective approach. The Group is currently performing a detailed analysis under FRS 115 to determine its election of the practical expedients and to quantify the transition adjustments on its financial statements.

3 Significant accounting policies (cont'd)

3.18 New standards and interpretations not adopted (cont'd)

Applicable to 2018 financial statements

New standards

Summary of the requirements	**Potential impact on the financial statements**
FRS 109 *Financial Instruments*	
FRS 109 replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from FRS 39. FRS 109 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. Retrospective application is generally required, except for hedge accounting. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. Restatement of comparative information is not mandatory. If comparative information is not restated, the cumulative effect is recorded in opening equity as at 1 January 2018.	The Group's initial assessment of FRS 109 is as described below: **Classification and measurement** – The Group does not expect a significant change to the measurement basis arising from adopting the new classification and measurement model under FRS 109. Loans and receivables currently accounted for at amortised cost will continue to be accounted for using amortised cost model under FRS 109. For an investment in debt securities currently held a fair value, the Group expects to continue measuring the investment at fair value under FRS109. **Impairment** – The Group plans to apply the simplified approach and record lifetime expected impairment losses on all trade receivables. On adoption of FRS 109, the Group's impairment loss allowance in respect of loans and receivables and its debt securities may increase as the Group does not require collaterals in respect of these financial assets. The Group is currently refining its impairment loss estimation methods to quantify the impact on its financial statements. **Transition** – The Group plans to adopt the standard when it becomes effective in 2018 without restating comparative information; and is gathering data to quantify the potential impact arising from the adoption.

Convergence with International Financial Reporting Standards (IFRS)

Singapore-incorporated companies listed on the Singapore Exchange (SGX) are required to apply a new financial reporting framework identical to the International Financial Reporting Standards (referred to as SG-IFRS in these financial statements) for the financial year ending 31 December 2018 onwards.

The Group has performed a preliminary assessment of the impact of SG-IFRS 1 *First-time adoption of International Financial Reporting Standards* for the transition to the new reporting framework. Based on the Group's preliminary assessment, the Group expects that the impact on adoption of SG-IFRS 15 Revenue from Contracts with Customers and SG-IFRS 9 Financial Instruments will be similar to adopting FRS 115 and FRS 109 as described in this note.

Other than the adoption of new and revised standards, the Group does not expect to change its existing accounting policies on adoption of the new framework.

3 Significant accounting policies (cont'd)

3.18 New standards and interpretations not adopted (cont'd)

Convergence with International Financial Reporting Standards (IFRS) (cont'd)

The Group is currently performing a detailed analysis of the available policy choices, transitional optional exemptions and transitional mandatory exceptions under SG-IFRS 1 and the preliminary assessment may be subject to changes arising from the detailed analyses.

Applicable to 2019 financial statements

New standards Summary of the requirements	**Potential impact on the financial statements**
FRS 116 *Leases*	
FRS 116 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use (ROU) assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. FRS 116 substantially carries forward the lessor accounting requirements in FRS 17 *Leases*. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the FRS 17 operating lease and finance lease accounting models respectively. However, FRS 116 requires more extensive disclosures to be provided by a lessor. When effective, FRS 116 replaces existing lease accounting guidance, including FRS 17, INT FRS 104 *Determining whether an Arrangement contains a Lease*; INT FRS 15 *Operating Leases—Incentives*; and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. FRS 116 is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted if FRS 115 is also applied.	The Group has performed a preliminary high-level assessment of the new standard on its existing operating lease arrangements as a lessee (refer to Note 29). Based on the preliminary assessment, certain of these operating leases may be recognised as ROU assets with corresponding lease liabilities under the new standard. As at 31 December 2016, the operating lease commitments on an undiscounted basis amount is not significant to the consolidated total assets and consolidated total liabilities. Assuming no additional new operating leases in future years until the effective date, the Group expects the amount of ROU asset and lease liability to be lower due to discounting and as the lease terms run down. The Group plans to adopt the standard when it becomes effective in 2019. The Group will perform a detailed analysis of the standard, including the transition options and practical expedients as part of its implementation plans. The Group expects that the impact on adoption of IFRS 16 *Leases* to be similar to adopting SG-FRS 116, after the transition to SG-IFRS in 2018 as described above.

4 Property, plant and equipment

	Leasehold improvements RMB'000	Motor vehicles RMB'000	Office furniture and equipment RMB'000	Total RMB'000
Group				
Cost				
At 1 January 2015	722	7,932	5,069	13,723
Additions	–	17	431	448
Disposals	–	(708)	(215)	(923)
At 31 December 2015	722	7,241	5,285	13,248
At 1 January 2016	722	7,241	5,285	13,248
Additions	–	495	654	1,149
Disposals	–	(576)	(481)	(1,057)
At 31 December 2016	722	7,160	5,458	13,340
Accumulated depreciation				
At 1 January 2015	90	2,335	3,467	5,892
Depreciation	90	1,669	737	2,496
Disposals	–	(651)	(203)	(854)
At 31 December 2015	180	3,353	4,001	7,534
At 1 January 2016	180	3,353	4,001	7,534
Depreciation	138	1,073	728	1,939
Disposals	–	(499)	(456)	(955)
At 31 December 2016	318	3,927	4,273	8,518
Carrying amounts				
At 1 January 2015	632	5,597	1,602	7,831
At 31 December 2015	542	3,888	1,284	5,714
At 31 December 2016	404	3,233	1,185	4,822

4 Property, plant and equipment (cont'd)

	Office furniture and equipment RMB'000
Company	
Cost	
At 1 January 2015	24
Additions	–
At 31 December 2015	24
At 1 January 2016	24
Additions	–
Disposals	(24)
At 31 December 2016	–
Accumulated depreciation	
At 1 January 2015	18
Depreciation	3
At 31 December 2015	21
At 1 January 2016	21
Depreciation	3
Disposals	(24)
At 31 December 2016	–
Carrying amounts	
At 1 January 2015	6
At 31 December 2015	3
At 31 December 2016	–

5 Investment properties

	Group	
	2016	2015
	RMB'000	RMB'000
At 1 January	993,200	807,800
Additions	200,270	93,598
Change in fair value (unrealised)	(3,270)	91,802
At 31 December	1,190,200	993,200
Comprising:		
Completed investment properties	716,300	697,300
Investment properties under construction	473,900	295,900
	1,190,200	993,200

Investment properties include a number of commercial properties that are leased to related corporations. Each of these leases contains an initial non-cancellable periods ranging from 5 years to 20 years with the rental fee comprising a fixed base rent component and a contingent rent component calculated based on the business performance of the tenants. Subsequent renewals are negotiated with the lessee and, on average, the renewal periods are 5 years.

Changes in fair values are recognised in profit or loss.

Security

At 31 December 2016, investment properties of the Group with carrying amounts of RMB634,100,000 (2015: RMB316,300,000) are pledged as security to secure borrowings from financial institutions (see note 18).

Measurement of fair value

An external and independent firm of valuers, having appropriate recognised professional qualifications and experience in the location and category of property being valued, values the Group's investment properties at least once every year. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably and willingly.

The valuers have adopted the income, residual and direct comparison approaches in valuing the investment properties, where appropriate. Under the income approach, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows is then applied to the net annual cash flows to arrive at the property valuation. Under the residual approach, the total gross development costs and developer's profit are deducted from the gross development value to arrive at the residual value of land. The gross development value is the estimated value of the property assuming satisfactory completion of the development as at the date of valuation. Under the direct comparison approach, comparable sales of similar properties are analysed and the sale prices are adjusted to be reflective of the investment properties.

Valuations reflect, when appropriate, the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, the allocation of maintenance and insurance responsibilities between the Group and the lessee, and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices, and counter-notices, when appropriate, have been served validly and within an appropriate period of time.

5 Investment properties (cont'd)

Measurement of fair value (cont'd)

The fair value of investment properties as at 31 December 2016 and 31 December 2015 are determined by Colliers International (Hong Kong) Ltd, an independent firm of professional valuers.

Fair value hierachy

The fair value measurement for all the investment properties has been categorised as Level 3 fair value based on the inputs to the valuation techniques used.

Valuation techniques and significant unobservable inputs

The following table shows the Group's valuation techniques used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Income approach	• Expected rental rates of RMB12.88 to RMB52.05 (2015: RMB20.50 to RMB42.20) per square metre (psm) • Capitalisation rate ranging from 4.3% to 5.7% (2015: 4.5% to 6%)	• An increase in expected rental rates and/or a decrease in capitalisation rate would result in an increase in the estimated fair value.
Residual approach	• Expected rental rates of RMB12.88 to RMB52.05 (2015: RMB20.50 to RMB42.20) psm • Capitalisation rate ranging from 3.8% to 5.7% (2015: 4% to 6%)	• An increase in expected rental rates and/or a decrease in capitalisation rate would result in an increase in the estimated fair value.
Direct comparison approach	• Price of RMB8,750 to RMB52,000 (2015: RMB6,999 to RMB50,000) psm	• An increase in price would result in an increase in the estimated fair value.

6 Subsidiaries

	Company	
	2016 RMB'000	2015 RMB'000
Equity investments at cost	1,441,794	1,378,109

Investment in subsidiaries with carrying amounts of RMB947,400,000 (2015: RMB897,000,000) are pledged to financial institutions for credit facilities granted (note 18).

6 Subsidiaries (cont'd)

The details of the Company's subsidiaries are as follows:

Name of subsidiary	Principal activities	Principal place of business/ Country of incorporation	Effective equity interest 2016 %	Effective equity interest 2015 %
Direct subsidiary				
Chiwayland Group (Singapore) Pte. Ltd. ("Chiwayland Group Singapore")#	Investment holding	Singapore	100	100
Held through Chiwayland Group Singapore				
Chiway Investment Pte. Ltd. ("CI")#	Investment holding	Singapore	100	100
CWG Development Pty Ltd. (formerly known as Chiwayland Australia Pty Ltd) ("CDPL")@	Investment holding	Australia	100	100
Chiwayland Investment Cayman Limited^	Assets management	Cayman	100	–
Held through CI				
Suzhou Ervin Investment Consulting Co., Ltd. ("Suzhou Ervin")@	Investment holding	PRC	100	100
Held through CDPL				
Hillwood Pty Limited@	Property development	Australia	100	100
Bluesky Parramatta Pty Ltd@	Property development	Australia	75.83	75.0
Epping Hillview Pty Ltd@	Property development	Australia	100	100
Ryde 88 Pty Ltd@	Property development	Australia	–[1]	100
Caddens Versatile Pty Ltd.@	Property development	Australia	100	–
CWG Development LLC^	Investment holding	USA	100	–
Held through CWG Development LLC				
Chiwayland USA LLC^	Investment holding	USA	100	–
Held through Suzhou Ervin				
Suzhou Chiwayland Group Co., Ltd. ("SCLG")@	Investment holding	PRC	100	100

6 Subsidiaries (cont'd)

Name of subsidiary	Principal activities	Principal place of business/ Country of incorporation	Effective equity interest	
			2016 %	2015 %
Held through SCLG				
Shanghai Chiway Jiacheng Investment Consulting Co., Ltd. ("SCI")@	Investment holding	PRC	100	100
Wuxi Chiway Real Estate Co., Ltd ("Wuxi Real Estate")@	Property development	PRC	100	100
Wuxi Chiway Real Estate Development Co., Ltd. ("Wuxi Real Estate Development")@	Property development	PRC	100	100
Wuxi Huafu Real Estate Co., Ltd. ("Wuxi Huafu")@	Property development	PRC	100	100
Wuxi Huarui Real Estate Co., Ltd. ("Wuxi Huarui")@	Property development	PRC	52.38	52.38
Suzhou Landscape Real Estate Co., Ltd. ("Suzhou Landscape")@	Property development	PRC	65.0	65.0
Xuancheng Chiwayland Co., Ltd. ("Xuancheng Chiwayland")@	Property development	PRC	100	100
Shanghai Fuyuan Investment Management Co., Ltd. (Shanghai Fuyuan)@	Investment holding	PRC	100	100
Shanghai Quanchang Marketing Planning Co., Ltd. ("Shanghai Quanchang")@	Property agency	PRC	100	100
Shanghai Zihui Investment Consulting Co., Ltd. ("Shanghai Zihui")@	Investment holding	PRC	100	100
Xuzhou Huarui Tech-Edu Development Co., Ltd. ("Xuzhou Huarui")@	Property development	PRC	100	100
Suzhou Chiway Jinhui Real Estate Co., Ltd. ("Suzhou Jinhui")@	Property development	PRC	75.0	75.0
Shanghai Lvwen Management Co., Ltd. ("Shanghai Lvwen")@	Investment holding	PRC	100	100

6 Subsidiaries (cont'd)

Name of subsidiary	Principal activities	Principal place of business/ Country of incorporation	Effective equity interest 2016 %	Effective equity interest 2015 %
Held through SCLG (cont'd)				
Shanghai Chiway Real Estate Co., Ltd. ("Shanghai Real Estate")@	Property development	PRC	100	100
Shanghai Chiway Management Co., Ltd. ("Shanghai Management")@	Property management	PRC	100	100
Shanghai Tongrui Investment Consulting Co., Ltd. ("Shanghai Tongrui")@	Investment holding	PRC	100	100
Xuzhou Chiway Construction Co., Ltd. ("Xuzhou Chiway")@	Property development	PRC	80.0	80.0
Suzhou Gaoxin Chiway Tech-Edu Development Co., Ltd. ("Suzhou Gaoxin Tech-Edu")@	Property development	PRC	70.0	70.0
Suzhou Jiacheng Development Co., Ltd. ("Suzhou Jiacheng")@	Property development	PRC	45.5[2]	45.5[2]
Suzhou Huatian Property Management Co., Ltd. ("Suzhou Huatian ")@	Property management	PRC	70.0	70.0
Suzhou Jia Rui Hang Commercial Management Co., Ltd (formerly named Suzhou Chiway Commercial Investment Consulting Co., Ltd) ("Suzhou Commercial")@	Property management	PRC	100	100
Suzhou Chiway Jiarun Real Estate Co., Ltd. ("Suzhou Jiarun")@	Property development	PRC	84.7	84.7
Suzhou Chiway Shangcheng Real Estate Co. Ltd. ("Suzhou Shangcheng")@	Property development	PRC	60.0	60.0
Zhangjiagang Chiway Real Estate Co., Ltd. ("Zhangjiagang Chiway")@	Property development	PRC	100	100
Shanghai Shenlan Investment Management Consulting Co., Ltd. ("Shanghai Shenlan")@	Investment holding	PRC	100	100
Suzhou Xingshang Tiandi Real Estate Co., Ltd ("Suzhou Xingshang")@	Property development	PRC	55.0[3]	51.0[3]

6 Subsidiaries (cont'd)

Name of subsidiary	Principal activities	Principal place of business/ Country of incorporation	Effective equity interest 2016 %	Effective equity interest 2015 %
Held through SCLG (cont'd)				
Shanghai Richmont Equity Investment Management Co., Ltd, ("Shanghai Ruize")@	Investment holding and assets management	PRC	100	100
Suzhou Chiway Huayuan Real Estate Co., Ltd ("Suzhou Huayuan")@	Property development	PRC	75.0	75.0
Suzhou Chiway Shanghong Real Estate Co., Ltd ("Suzhou Shanghong")@	Property development	PRC	57.0[4]	57.0[4]
Nanjing Chiway Hongrun Real Estate Co., Ltd ("Nanjing Hongrun")@	Property development	PRC	60.0	60.0
Shanghai Tongmo Assets Management Co., Ltd ("Shanghai Tongmo")@	Investment holding and assets management	PRC	100	100
Shanghai Ruiqi Equity Investment Management Co., Ltd. Ltd ("Shanghai Ruiqi")@	Investment holding and assets management	PRC	70.0	70.0
Suzhou Chiway Hengtang Real Estate Co., Ltd ("Suzhou Hengtang")@	Property development	PRC	57.0	–
Wuhan Chiway Real Estate Co., Ltd ("Wuhan Chiway")@	Property development	PRC	60.0	–
Wuxi Chiway Huake Real Estate Co., Ltd ("Wuxi Huake")@	Property development	PRC	60.0	–
Shanghai Jiashu Real Estate Co., Ltd ("Shanghai Jiashu")@	Property management	PRC	90.0	–
Suzhou Jinlun Management Co., Ltd. ("Suzhou Jinlun")@	Investment holding	PRC	60.0	–
Suzhou Chiway Shangrong Real Estate Co., Ltd. ("Suzhou Shangrong")@	Investment holding	PRC	–[5]	–
Wuxi Taihu New City Chiway Real Estate Co., Ltd ("Wuxi Taihu")@	Property development	PRC	26.4[5]	–

6 Subsidiaries (cont'd)

Name of subsidiary	Principal activities	Principal place of business/ Country of incorporation	Effective equity interest	
			2016 %	2015 %
Held through SCLG (cont'd)				
Suzhou Chiway Wanrong Real Estate Co., Ltd. ("Suzhou Wanrong")@	Investment holding	PRC	–[5]	–
Zhangjiagang Chiway Wanhong Real Estate Co., Ltd ("Zhangjiagang Wanhong")@	Property development	PRC	26.4[5]	–

1 The company became a joint venture in 2016 (note 7).

2 Although the Group holds effective interest of less than 50% in Suzhou Jiacheng, it is exposed and has rights to variable returns from its involvement with Suzhou Jiacheng and has the ability to affect those returns through its power over Suzhou Jiacheng. Consequently, Suzhou Jiacheng has been consolidated as a subsidiary.

3 As at 31 December 2015, the Group had a 51% legal equity interest in Suzhou Xingshang. On 14 September 2015, the Group had disposed of a 4% equity interest in Suzhou Xingshang to a financial institution for a consideration of RMB4,000,000. In addition, the financial institution provided a loan of RMB91,000,000, bearing interest at 8.4% per annum, to Suzhou Xingshang. Under the terms of the arrangement, the Group is obliged to re-acquire the 4% equity interest from the financial institution and repay the loan within the next 12 months. The financial institution undertook to subordinate their voting rights over all matters relating to the relevant activities of Suzhou Xingshang to the controlling shareholders of Suzhou Xingshang. The Group considered that the disposal of the 4% equity interest in Suzhou Xingshang to the financial institution to be akin to a security pledged to obtain borrowings from the financial institution. On this basis, the Group continues to consolidate Suzhou Xingshang as a subsidiary based on an effective beneficial equity interest of 55% for the year ended 31 December 2015. In March 2016, the Group re-acquired the 4% equity interest from the financial institution and repaid the loan. As at 31 December 2016, the Group has a 55% legal equity interest in Suzhou Xingshang.

4 On 29 December 2015, the Group disposed of a 3% equity interest in Suzhou Shanghong to a financial institution for a consideration of RMB5,000,000. In addition, the financial institution would provide a loan of RMB165,000,000, bearing interest at 10% per annum, to Suzhou Shanghong. Under the terms of the arrangement, the Group is obliged to re-acquire the 3% equity interest from the financial institution and repay the loan within the next two years upon receiving the loan. The Group considered that the disposal of the 3% equity interest in Suzhou Shanghong to the financial institution to be akin to a security pledged to obtain borrowings from the financial institution. On this basis, the Group continues to consolidate Suzhou Shanghong as a subsidiary based on an effective beneficial equity interest of 60% for the years ended 31 December 2015 and 31 December 2016.

5 During the year, the Group incorporated the Group entities, Suzhou Shangrong, Wuxi Taihu, Suzhou Wanrong and Zhangjiagang Wanhong, to undertake development property projects in Wuxi and Zhangjiagang.

Suzhou Shangrong holds a 51% equity interest in Wuxi Taihu and Suzhou Wanrong holds a 51% equity interest in Zhangjiagang Wanhong. The remaining equity interest in Wuxi Taihu and Zhangjiagang Wanhong are held by other wholly-owned Group entities.

On 22 December 2016, the Group entered into a trust financing arrangement with a trust financing company in relation to the development property projects in Wuxi Taihu and Zhangjiagang Wanhong. As part of the arrangement, the Group disposed of its interests in Suzhou Shangrong and Suzhou Wanrong to the trust financing company for a total consideration of RMB35,700,000. In addition, the trust financing company extended loans of RMB464,300,000 in total to Wuxi Taihu and Zhangjiagang Wanhong, respectively.

6 Subsidiaries (cont'd)

Management assessed the terms of the trust financing arrangement and determined that the Group retains control of Suzhou Shangrong and Wuxi Taihu, and Suzhou Wanhong and Zhangjiagang Wanhong as the Group is able to direct the activities of these entities that most significantly affects its economic performance, and has exposure or rights to receive benefits from these entities from its involvement. The Group considered that the equity interests held by the trust financing company in Suzhou Shangrong and Suzhou Wanhong are akin to security pledged to obtain borrowings from the trust financing company. On this basis, the Group continues to consolidate Suzhou Shangrong and Suzhou Wanrong as subsidiaries of the Group.

Audited by KPMG LLP.

@ Audited by a member firm of KPMG International for consolidation purposes.

^ Not required to be audited under the laws of the country of incorporation.

KPMG LLP is the auditor of all significant Singapore-incorporated subsidiaries. Other member firms of KPMG International are auditors of significant foreign-incorporated subsidiaries.

For the purpose of determining if an entity is a significant subsidiary of the Group, a subsidiary is considered significant, as defined under the Singapore Exchange Limited Listing Manual, if the Group's share of its net tangible assets represents 20% or more of the Group's consolidated tangible assets, or if the Group's share of its pre-tax profits accounts for 20% or more of the Group's consolidated pre-tax profit.

7. Joint ventures and associate

	Group	
	2016 RMB'000	2015 RMB'000
Investments in joint ventures	98,813	15,062
Investments in associate	4,438	–
	103,251	15,062

Suzhou Gaoxin, Suzhou Ruixin, Chiway Solution Brisbane Group, Ryde 88 and UCCH LLC are structured as a separate vehicle and the Group has a residual interest in its net assets. Accordingly, the Group has classified its interest in Suzhou Gaoxin, Suzhou Ruixin, Chiway Solution Brisbane Group, Ryde 88 and UCCH LLC as joint ventures, which are equity accounted.

7 Joint ventures and associate (cont'd)

The details of the Group's joint ventures are as follows:

Name of joint venture	Principal activities	Principal place of business/ Country of incorporation	Effective equity interest	
			2016 %	2015 %
Held through SCLG				
Suzhou Gaoxin Chiway Real Estate Co., Ltd. ("Suzhou Gaoxin")[1,@]	Property development	PRC	–	50.0
Suzhou Ruixin Investment Co., Ltd ("Suzhou Ruixin")[@]	Property development	PRC	65.0[4]	–
Held through CAPL				
Chiway Solutions Brisbane Pty Ltd ("Chiway Solutions Brisbane")[3,@]	Investment holding	Australia	50.0	50.0
Ryde 88 Pty Ltd. ("Ryde 88")[@]	Property development	Australia	60.0[5]	–
Held through Chiway Solutions Brisbane[2]				
CS Nundah 3 Pty Ltd[3,@]	Property development	Australia	50.0	50.0
CS Nundah 4 Pty Ltd[3,@]	Property development	Australia	50.0	50.0
CS Toowong Pty Ltd[3,@]	Property development	Australia	50.0	50.0
Held through Chiwayland USA LLC				
UCCH LLC[^]	Property development	USA	50.0	–

1 Suzhou Gaoxin was liquidated in 2016.

2 Chiway Solutions Brisbane and its subsidiaries are collectively known as the "Chiway Solutions Brisbane Group".

3 Not considered a significant joint venture of the Group. For this purpose, a joint venture is considered significant, as defined under the Singapore Exchange Limited Listing Manual, if the Group's share of its net tangible assets represents 20% or more of the Group's consolidated net tangible assets, or if the Group's share of its pre-tax profits accounts for 20% or more of the Group's consolidated pre-tax profit.

4 As at 31 December 2016, the Group has a 65% legal equity interest in Suzhou Ruixin. In January 2016, the Group acquired of a 65% equity interest in Suzhou Ruixin from Chiway Holding Group Co., Ltd ("Chiway Holding"), a company with common controlling shareholders. Following the completion of the transaction, the Group has joint control of Suzhou Ruixin and accordingly, Suzhou Ruixin is accounted for as a joint venture of the Group for the year ended 31 December 2016.

@ Audited by a member firm of KPMG International for consolidation purposes.

^ Not required to be audited under the laws of the country of incorporation.

7 Joint ventures and associate (cont'd)

The following table summarises the financial information of the joint ventures as included in its separate financial statements, adjusted for fair value adjustments in acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amounts of the Group's investments in joint ventures.

	Suzhou Gaoxin RMB'000	Suzhou Ruixin RMB'000	Chiway Solution Brisbane Group RMB'000	Ryde 88 RMB'000	UCCH RMB'000	Total RMB'000
2016						
Revenue	–	–	106,439	–	–	106,439
Profit/(Loss) for the year and total comprehensive income/(loss) for the year	45	444	(11,439)	141	1,330	(9,479)
Includes:						
Finance income	131	143	43	–	–	317
Finance costs	–	–	(3)	–	–	(3)
Non-current assets	–	50,009	135,908	–	104,654	290,571
Current assets[1]	–	109,988	129,591	105,530	4,316	349,425
Non-current liabilities[2]	–	(49,445)	(205,877)	(50,157)	(48,559)	(354,038)
Current liabilities[3]	–	(3,347)	(70,689)	(55,229)	(64)	(129,329)
Net assets	–	107,205	(11,067)	144	60,347	156,629
Includes:						
1 Cash and cash equivalents	–	76,559	126,231	281	4,303	207,374
2 Non-current financial liabilities excluding trade and other payables	–	(49,250)	(205,877)	(50,157)	(48,559)	(353,843)
3 Current financial liabilities excluding trade and other payables	–	–	(68,406)	(31,097)	–	(99,503)
Group's interest in net assets of investee at beginning of the year	14,790	–	272	–	–	15,062
Share of results of joint ventures	24	289	(272)	84	665	790
Capital investment in joint ventures	–	69,394	–	–	28,381	97,775
Liquidation of investment in joint ventures	(14,814)	–	–	–	–	(14,814)
Carrying amount of interest in investee at end of the year	–	69,683	–	84	29,046	98,813

7 Joint ventures and associate (cont'd)

	Suzhou Gaoxin RMB'000	Chiway Solution Brisbane Group RMB'000	Total RMB'000
2015			
Revenue	–	645	645
(Loss)/Profit for the year and total comprehensive (loss)/income for the year	(3,242)	546	(2,696)
Includes:			
Depreciation and amortisation	(4,083)	–	(4,083)
Finance income	2,333	–	2,333
Finance costs	(2)	(99)	(101)
Non-current assets	–	159,041	159,041
Current assets[1]	31,420	3,068	34,488
Non-current liabilities[2]	–	(84,395)	(84,395)
Current liabilities[3]	(1,840)	(77,170)	(79,010)
Net assets	29,580	544	30,124
Includes:			
1 Cash and cash equivalents	31,420	1,844	33,264
2 Non-current financial liabilities excluding trade and other payables	–	(84,393)	(84,393)
3 Current financial liabilities excluding trade and other payables	–	(75,451)	(75,451)
Group's interest in net assets of investee at beginning of the year	24,411	(1)	24,410
Share of results of joint ventures	(1,621)	273	(1,348)
Dividend received during the year	(8,000)	–	(8,000)
Carrying amount of interest in investee at end of the year	14,790	272	15,062

The details of the Group's investment in associate are as follows:

Name of associate	Principal activities	Principal place of business/ Country of incorporation	Effective equity interest 2016 %	Effective equity interest 2015 %
Held through SCLG				
Shengeng Hongye Development (Beijing) Co Ltd ("Shengeng Hongye")@	Investment holding	PRC	29.4	–

@ Audited by a member firm of KPMG International for consolidation purposes.

7 Joint ventures and associate (cont'd)

The following table summarises the financial information of the associate as included in its separate financial statements, adjusted for fair value adjustments in acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amounts of the Group's investment in associate.

	Shengeng Hongye RMB'000
2016	
Revenue	–
Loss for the year and total comprehensive loss for the year	(1,047)
Non-current assets	–
Current assets	857,511
Non-current liabilities	(599,000)
Current liabilities	(248,559)
Net assets	**9,952**
Group's interest in net assets of investee at beginning of the year	–
Share of results of associate	(462)
Capital investment in associate	4,900
Carrying amount of interest in investee at end of the year	4,438

8 Deferred tax assets and liabilities

Details of recognised deferred tax assets and liabilities are as follows:

Deferred tax assets

The components of deferred tax assets recognised in the consolidated statement of financial position and the movements during the financial years ended 31 December 2015 and 2016 are as follows:

	Development properties RMB'000	Tax losses carried forward RMB'000	Total RMB'000
Group			
At 1 January 2015	52,284	7,582	59,866
Recognised in profit or loss	(21,894)	8,045	(13,849)
Exchange differences	–	47	47
At 31 December 2015	30,390	15,674	46,064
Recognised in profit or loss	73,164	8,053	81,217
Exchange differences	–	574	574
At 31 December 2016	103,554	24,301	127,855

8 Deferred tax assets and liabilities (cont'd)

Deferred tax assets (cont'd)

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2016 RMB'000	2015 RMB'000
Deductible temporary differences	119,046	36,503
Tax losses carried forward	278,874	246,258
	397,920	282,761

The Group's tax losses carried forward comprises tax losses arising from its operations in PRC, Australia and USA. Under the applicable PRC tax legislations, tax losses as at 31 December 2016 and 2015 are expected to expire as follows:

	2016 RMB'000	2015 RMB'000
Within 1 year	56,125	58,110
Between 1 year to 5 years	206,728	188,148
	262,853	246,258

The remaining tax losses of RMB16,021 (2015: RMBNil) relating to tax losses arising from the Group's Australia and USA operations are not expected to expire under the current tax legislation applicable to the tax jurisdiction.

Deferred tax assets have not been recognised in respect of tax losses carried forward because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

Deferred tax liabilities

The components of deferred tax liabilities recognised in the consolidated statement of financial position and the movements during the financial years ended 31 December 2016 and 2015 are as follows:

	Development properties RMB'000	Investment properties RMB'000	Total RMB'000
Group			
At 1 January 2015	9,329	86,777	96,106
Recognised in profit or loss	5,487	22,950	28,437
At 31 December 2015	14,816	109,727	124,543
Recognised in profit or loss	(1,355)	(818)	(2,173)
At 31 December 2016	13,461	108,909	122,370

8 Deferred tax assets and liabilities (cont'd)

Set off of deferred tax assets and liabilities

	Group	
	2016	**2015**
	RMB'000	**RMB'000**
Deferred tax assets recognised	127,855	46,064
Set off with deferred tax liabilities	(6,497)	(3,103)
Deferred tax assets as presented in consolidated statement of financial position	121,358	42,961
Deferred tax liabilities recognised	122,370	124,543
Set off with deferred tax assets	(6,497)	(3,103)
Deferred tax liabilities as presented in consolidated statement of financial position	115,873	121,440

9 Development properties

	Group	
	2016	**2015**
	RMB'000	**RMB'000**
Properties under development	7,374,488	5,113,907
Completed properties held for sale	323,575	483,955
	7,698,063	5,597,862
Total interest expenses capitalised in development properties during the year	438,413	371,443

All development properties are located in the PRC and Australia.

The weighted average capitalisation rate of borrowings is 6.90% (2015: 10.06%) for the financial year ended 31 December 2016.

Included in development properties are staff costs capitalised of RMB39,929,000 (2015: RMB23,753,000) during the financial year ended 31 December 2016.

During the financial year, development properties recognised in cost of sales amounted to RMB3,600,992,000 (2015: RMB3,108,614,000). The reversal of impairment losses on development properties of RMB8,939,000 (2015: impairment losses of RMB47,459,000) was included in cost of sales for the financial year ended 31 December 2016.

As at 31 December 2016, development properties with carrying amounts of approximately RMB5,024,293,000 (2015: RMB4,561,302,000) were pledged as collaterals for the Group's borrowings (see note 18).

10 Contract work-in-progress/Advance receipts from government

	Group	
	2016 RMB'000	2015 RMB'000
Construction costs incurred on behalf of the government	397,888	382,998
Advance receipts from government	439,853	439,853

In prior years, the Group entered into a contract with the Suzhou Municipal Government to develop an education park in Suzhou on behalf of the local government. The construction costs incurred were funded by advances from the Suzhou Municipal Government.

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

11 Financial assets

	Group	
	2016 RMB'000	2015 RMB'000
Financial assets available-for-sale		
- Debt securities	55,000	250,000

Debt securities classified as financial assets available-for-sale with carrying amounts of RMB55,000,000 (2015: RMB250,000,000) as at 31 December 2016 bear interest at 2.2% (2015: 3.3% to 4.7%) and mature within 1 year.

Impairment

The movements in the allowance for impairment loss in respect of financial assets available-for-sale during the year are as follows:

	Group	
	2016 RMB'000	2015 RMB'000
At 1 January	–	2,250
Impairment loss recognised	–	2,250
Amounts utilised	–	(4,500)
At 31 December	–	–

12 Trade receivables, other receivables and advance payments

	Group		Company	
	2016 RMB'000	2015 RMB'000	2016 RMB'000	2015 RMB'000
Trade receivables	2,406	2,800	–	–
Amounts due from subsidiaries				
- non-trade and interest-free	–	–	275,027	194,632
Amounts due from related corporations				
- trade	–	367	–	–
- non-trade and interest-free	3,022	9,296	–	–
Amounts due from non-controlling interests				
- non-trade and interest-free	345,095	471,093	–	–
Amounts due from joint ventures				
- non-trade and interest-bearing	176,928	–	–	–
- non-trade and interest-free	63,130	29,373	–	–
Amounts due from associate				
- non-trade and interest-free	126,449	–	–	–
Other deposits	273,914	154,473	–	–
Other receivables	332,111	52,940	–	–
Bills receivable	800	100	–	–
Loans and receivables	1,323,855	720,442	275,027	194,632
Advance payments for acquisition of land	2,187,481	1,549,127	–	–
Advance payments to sub-contractors	33,722	84,191	–	–
Prepaid business tax and surcharges	49,408	186,943	–	–
Prepaid income tax and land appreciation tax ("LAT")	122,793	120,212	–	–
Other prepayments	2,016	3,782	62	396
	3,719,275	2,664,697	275,089	195,028
Non-current	176,928	–		
Current	3,542,347	2,664,697	275,089	195,028
	3,719,275	2,664,697	275,089	195,028

Transactions with related parties are unsecured and priced on terms agreed between the parties.

The non-trade amounts due from subsidiaries, related corporations, non-controlling interests, joint ventures and associate are unsecured and are repayable on demand.

The interest-bearing non-trade amounts due from joint ventures bears interest of 9.0% per annum and are payable in 2017.

Based on historical default rates, the Group believes that no allowance for impairment loss is required to be recognised on its loans and receivables for the financial years ended 31 December 2015 and 2016.

The Group's and the Company's exposure to credit risk related to trade and other receivables is disclosed in Note 28.

12 Trade receivables, other receivables and advance payments (cont'd)

The ageing analysis of trade and other receivables at the end of each reporting period is as follows:

	Group		Company	
	2016 RMB'000	2015 RMB'000	2016 RMB'000	2015 RMB'000
Not past due	1,049,941	565,969	275,027	194,632

13 Cash and cash equivalents

An analysis of cash and cash equivalents is set out below:

	Group		Company	
	2016 RMB'000	2015 RMB'000	2016 RMB'000	2015 RMB'000
Cash at bank	2,027,412	1,203,532	4,996	300
Less: Restricted cash	(405,041)	(218,231)	–	–
Cash and cash equivalents, as presented in the consolidated statement of cash flows	1,622,371	985,301	4,996	300

Included in cash and cash equivalents are cash and bank balances of group entities that are denominated in RMB. RMB is not a freely convertible currency and the remittance of funds out of the PRC is subject to exchange restrictions imposed by the PRC government.

Restricted cash

Pursuant to the loan covenants, certain subsidiaries of the Group which engage in property development have restrictions in their ability to draw cash from specified bank accounts for uses other than for the purchase of construction materials and payment of development costs relating to the relevant property development projects.

14 Share capital

Share capital

	Company Number of shares	
	2016 '000	2015 '000
Issued and fully paid ordinary shares, with no par value:		
At 1 January/31 December	666,851	666,851

14 Share capital (cont'd)

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets. All rights attached to the Company's shares held by the Group are suspended until those shares are reissued.

Warrants

In prior years, the Company issued 142,464,955 warrants at an issue price of S$0.01 per warrant. The warrants were issued at a ratio of one warrant for every two existing ordinary shares in the capital of the Company. Each warrant will, subject to the terms and conditions of the Deed Poll, entitle its holder to subscribe for one new ordinary share in the capital of the Company at an exercise price of S$0.20 (the "exercise price"). The warrants were listed and quoted on the Official List of the Singapore Exchange Securities Trading Limited on 11 January 2012.

On 5 August 2014, the Company undertook a consolidation of three existing warrants into one consolidated warrant. Each consolidated warrant entitles the warrant holder to subscribe to one new share in the share capital of the Company at an exercise price of S$0.60 in cash during the exercise period. During the current financial year, there were nil (2015: nil) consolidated warrants being exercised. As at 31 December 2016, there were 47,488,212 (2015: 47,488,212) consolidated warrants outstanding. The warrants expired on 6 January 2017.

Capital management

The Group's objectives when managing capital are to build a strong capital base so as to sustain the future development of its business and to maintain an optimal capital structure to maximise shareholder's value. The Group defines "capital" as including all components of equity.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between higher shareholders returns that might be possible with higher levels of borrowings, and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

There were no changes in the Group's approach to capital management during the financial year. Subsidiaries incorporated in the PRC are required to maintain a statutory reserve fund. The Group and its subsidiaries are also subject to capital requirements imposed by certain lenders of funds. The Group and its subsidiaries are in compliance with these externally imposed capital requirements for the financial years ended 31 December 2015 and 2016.

15 Reserves

	Group		Company	
	2016	2015	2016	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Reserve for own shares	(522)	–	(522)	–
Merger reserve	(44,710)	(44,710)	–	–
Statutory reserve	152,867	113,767	–	–
Warrant reserve	–	–	6,094	6,094
Foreign currency translation reserve	(106,203)	(117,927)	(48,306)	(120,949)
Accumulated profits/(losses)	330,079	265,500	37,201	(38,399)
	331,511	216,630	(5,533)	(153,254)

Reserve for own share

The reserve for the Company's own shares comprises the cost of the Company's shares held by the Group. In 2016, the Group acquired 665,000 (2015: Nil) shares in the Company through purchases on the Singapore Exchange during the financial year. The total amount to acquire the shares was S$109,000 (equivalent to RMB522,000) and was paid in January 2017.

Merger reserve

Merger reserve represents the surplus/deficit between the consideration paid and the share capital of entities acquired by Chiwayland Group Singapore under common control arrangements. The acquisition of the entities by Chiwayland Group Singapore under common control arrangements was carried out as part of the restructuring exercise undertaken by Chiwayland Group Singapore prior to the reverse takeover exercise in 2014.

Statutory reserve

Transfers from accumulated profits to the statutory reserve are made in accordance with the relevant PRC rules and regulations and the articles of association of the Company's subsidiaries incorporated in the PRC and are approved by the respective boards of directors. This reserve can be used to offset against accumulated losses or increasing capital of the subsidiaries and is non-distributable other than in liquidation.

Warrant reserve

The Company's warrant reserve represents the net proceeds of the warrants issued amounting to RMB6,094,000 (equivalent to S$1,300,000).

Foreign currency translation reserve

The Group's foreign currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of the Company and its subsidiaries whose functional currencies are different from the presentation currency of the Group.

The Company's foreign currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of the Company whose functional currency is different from the presentation currency of the Company.

15 Reserves (cont'd)

Dividends

After the respective reporting dates, the following exempt (one-tier) dividends were proposed by the directors. Those exempt (one-tier) dividends have not been provided for.

	Group and Company	
	2016	**2015**
	RMB'000	**RMB'000**
1 (2015: Nil) Singapore cent per qualifying ordinary share (2016: equivalent to S$6,662,000)	31,974	–

16 Other equity instruments

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
Perpetual capital securities	143,781	143,781	143,781	143,781
Redeemable perpetual preference shares	70,914	70,914	–	–
	214,695	214,695	143,781	143,781

(a) *Perpetual capital securities*

On 17 October 2014, the Company issued S$30,000,000 (equivalent to RMB143,781,000) perpetual capital securities ("Perpetual Capital Securities") to Shagang South-Asia (Hong Kong) Trading Co., Limited, a related corporation of a joint venture partner. The Perpetual Capital Securities carry a dividend rate of 9% per annum from 17 October 2014 to 16 October 2017, and 12% per annum from 17 October 2017 onwards. The Company has the right to defer payment of dividends which might have been previously declared by the Company to the holders of the Perpetual Capital Securities.

The Perpetual Capital Securities do not carry the right to vote at general meeting and rank senior to the ordinary shares with regards to the Company's residual assets, to the extent of the face value of the Perpetual Capital Securities. The Perpetual Capital Securities are not transferable to another party.

The Company has the right, but not the obligation, to redeem the Perpetual Capital Securities on or after 17 October 2017 at their principal amount together with any unpaid dividends accrued to the date fixed for redemption.

The Perpetual Capital Securities have no maturity date and are not redeemable at the option of the holders.

16 Other equity instruments (cont'd)

(b) *Redeemable perpetual preference shares*

On 15 October 2015, CWG Development Pty Ltd (formerly known as Chiwayland Australia Pty Ltd), a wholly-owned subsidiary of the Group, issued 15,000,000 cumulative redeemable perpetual preference shares ("RPPS") at an issue price of AUD$1 per share, amounting to RMB70,900,000. The RPPS were fully subscribed by an individual investor who is not related to the Group. The RPPS carry a dividend rate of 12% per annum from 15 October 2015 to 14 October 2018, and 15% per annum from 15 October 2018 onwards. CWG Development Pty Ltd has the right to defer payment of dividends which might have been previously declared by CWG Development Pty Ltd to the holder of the RPPS.

The RPPS do not carry the right to vote at general meeting and rank senior to the ordinary shares with regards to CWG Development Pty Ltd's residual assets, to the extent of the face value of the RPPS. The RPPS are not transferable to another party.

CWG Development Pty Ltd has the right, but not the obligation, to redeem the RPPS on or after 14 October 2018 at their principal amount together with any unpaid dividends accrued to the date fixed for the redemption.

The RPPS have no maturity date and are not redeemable at the option of the holders.

Dividends

The following exempt dividends were declared and paid by the Group and the Company:

For the year ended 31 December

	Group and Company	
	2016	**2015**
	RMB'000	**RMB'000**
Paid by the Company to holder of perpetual capital securities		
Perpetual capital securities	12,948	12,361

As at 31 December 2016, the cumulative preference dividends not recognised are as follows:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
Perpetual capital securities	2,697	2,580	2,697	2,580
RPPS	10,637	1,770	–	–

17 Non-controlling interests

The following table summarises the financial information of each of the Group's subsidiaries with material non-controlling interests ("NCI") based on their respective financial statements, before any intra-group eliminations and are prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies, where applicable.

	Suzhou Jiacheng RMB'000	Wuxi Huarui RMB'000	Suzhou Landscape RMB'000	Suzhou Jiarun RMB'000	Suzhou Gaoxin Tech-Edu RMB'000	Suzhou Jinhui RMB'000	Suzhou Shangcheng RMB'000	Suzhou Xingshang RMB'000	Xuzhou Chiway RMB'000	Other individually immaterial subsidiaries RMB'000	Total RMB'000
2016											
Percentage of ownership of NCI[1]	54.5%	47.6%	35.0%	15.3%	30.0%	25.0%	40.0%	45.0%	20.0%		
Revenue	–	–	–	177,392	9,947	1,776,059	2,352,094	–	62,141		
Profit/(loss) and total comprehensive income/(loss) for the year	798	(324)	(599)	25,369	23,080	259,248	232,363	(10,574)	(10,570)		
Profit/(loss) and total comprehensive income/(loss) for the year attributable to NCI	435	(154)	(210)	3,882	6,924	64,812	92,945	(4,758)	(2,114)	(7,955)	153,807
Non-current assets	6	–	–	3	150,457	196,081	488,276	163,272	22,351		
Current assets	38,179	169,441	74,343	160,817	629,542	1,215,336	2,619,207	363,566	1,232,999		
Non-current liabilities	–	–	–	–	(86,065)	–	(365,213)	(209,172)	(308,500)		
Current liabilities	(5,917)	(248)	(4,100)	(122,351)	(573,192)	(734,321)	(2,354,744)	(220,890)	(785,812)		
Net assets	32,268	169,193	70,243	38,469	120,742	677,096	387,526	96,776	161,038		
Net assets attributable to NCI[2]	15,636	80,092	24,585	7,417	81,650	189,523	154,968	58,073	32,947	(2,268)	642,623

17 Non-controlling interests (cont'd)

	Suzhou Jiacheng RMB'000	Wuxi Huarui RMB'000	Suzhou Landscape RMB'000	Suzhou Jiarun RMB'000	Suzhou Gaoxin Tech-Edu RMB'000	Suzhou Jinhui RMB'000	Suzhou Shangcheng RMB'000	Suzhou Xingshang RMB'000	Xuzhou Chiway RMB'000
2016									
Cash flows (used in)/from operating activities	(125)	363	38	(160,169)	100,923	602,305	1,352,281	159,816	262,059
Cash flows from/(used in) investing activities	1,324	2	502	150,772	(87,508)	(330,708)	(634,768)	(325,429)	(249,581)
Cash flows from/(used in) financing activities	(844)	–	(1)	2,405	(73,150)	(192,178)	(666,915)	193,728	(105,765)
Net increase/(decrease) in cash and cash equivalents	355	365	539	(6,992)	(59,735)	79,419	50,598	28,115	(93,287)

1 Includes non-controlling interests' direct and indirect equity interests in the respective subsidiary.

2 The net assets/(liabilities) attributable to NCI include the non-controlling interests' direct and indirect equity interests held in the respective subsidiary.

17 Non-controlling interests (cont'd)

	Suzhou Jiacheng RMB'000	Wuxi Huarui RMB'000	Suzhou Landscape RMB'000	Suzhou Jiarun RMB'000	Suzhou Gaoxin Tech-Edu RMB'000	Suzhou Jinhui RMB'000	Suzhou Shangcheng RMB'000	Suzhou Xingshang RMB'000	Xuzhou Chiway RMB'000	Other individually immaterial subsidiaries RMB'000	Total RMB'000
2015											
Percentage of ownership of NCI[1]	54.5%	47.6%	35.0%	15.3%	30.0%	25.0%	40.0%	45.0%	20.0%		
Revenue	487	(1,018)	–	221,543	296,083	1,170,540	–	–	638,077		
Profit/(loss) and total comprehensive income/(loss) for the year	1,804	(747)	277	(28,349)	8,003	120,564	(35,113)	39,736	7,459		
Profit/(loss) and total comprehensive income/(loss) for the year attributable to NCI	983	(356)	97	(4,337)	2,401	30,141	(14,045)	17,881	1,492	(658)	33,599
Non-current assets	12	–	–	20	668,155	163,134	214,819	98,325	6,741		
Current assets	85,992	169,556	76,234	413,660	231,229	2,143,708	3,793,826	136,515	786,064		
Non-current liabilities	–	–	–	(102,833)	(6,994)	(379,500)	(1,189,880)	–	(382,000)		
Current liabilities	(4,535)	(39)	(5,392)	(58,377)	(785,422)	(1,445,762)	(2,663,710)	(135,872)	(230,174)		
Net assets	81,469	169,517	70,842	252,470	106,968	481,580	155,055	98,968	180,631		
Net assets attributable to NCI[2]	32,701	80,246	24,795	3,535	74,726	140,711	62,023	62,831	35,061	(312)	516,317

17 Non-controlling interests (cont'd)

	Suzhou Jiacheng RMB'000	Wuxi Huarui RMB'000	Suzhou Landscape RMB'000	Suzhou Jiarun RMB'000	Suzhou Gaoxin Tech-Edu RMB'000	Suzhou Jinhui RMB'000	Suzhou Shangcheng RMB'000	Suzhou Xingshang RMB'000	Xuzhou Chiway RMB'000
2015									
Cash flows (used in)/from operating activities	(4,032)	364	34	22,940	220,973	534,530	919,643	116,392	109,024
Cash flows from/(used in) investing activities	2,053	1	378	1,225	2,138	42,825	(242,479)	(150,873)	(14,742)
Cash flows from/(used in) financing activities	2,334	(1)	126	(31,157)	(282,844)	(497,936)	(626,566)	62,596	(187,569)
Net increase/(decrease) in cash and cash equivalents	355	364	538	(6,992)	(59,733)	79,419	50,598	28,115	(93,287)

1 Includes non-controlling interests' direct and indirect equity interests in the respective subsidiary.

2 The net assets/(liabilities) attributable to NCI include the non-controlling interests' direct and indirect equity interests held in the respective subsidiary.

18 Loans and borrowings

	Group	
	2016 RMB'000	2015 RMB'000
Non-current liabilities		
Secured borrowings from financial institutions	3,816,751	1,709,601
Secured loan from non-controlling interests	1,575,236	1,435,000
Secured unquoted debt securities	175,569	–
Redeemable preference shares	55,000	–
	5,622,556	3,144,601
Current liabilities		
Secured borrowings from financial institutions	1,514,286	847,000
Unsecured borrowings from financial institutions	110,000	117,000
Secured loan from non-controlling interests	565,000	–
Secured unquoted debt securities	312,108	111,260
	2,501,394	1,075,260
Total	8,123,950	4,219,861

Debt financing arrangements

Arrangements with financial institutions/trust financing company

2016

During the current year, the Group entered into arrangements with a trust finance company to develop two property development projects. In accordance with the terms of the arrangements, the trust finance company acquired 51% interests in each of the project companies and also extended shareholders' loans to the project companies. The trust finance company's total investment in the project companies comprise of equity interests amounting to RMB35,700,000 in the project companies and RMB464,300,000 in shareholders' loans extended to the project companies.

Under the terms of the arrangements, the trust finance company will earn an average return of 9% per annum on the loans and equity interests. As at 31 December 2016, the Group is obliged to repay the shareholders' loans within 12 months and to re-acquire the equity interests of the project companies within 24 months.

Notwithstanding the trust finance company's equity interests in the project companies, the Group has assessed that it retains control over the project companies, having considered the terms of the arrangements, including but not limited to, the specific terms set out in the foregoing paragraph and that the Group continues to direct the activities of the project companies that most significantly affects their economic performance, and that the Group has exposure and rights to receive benefits from these entities through its involvement. Accordingly, the Group continues to consolidate the project companies and the total investment amount of RMB500,000,000 received from the trust finance company has been reflected as "secured borrowings from financial institutions".

18 Loans and borrowings (cont'd)

Debt financing arrangements (cont'd)

2015

(a) In 2015, the Group entered into a debt financing arrangement with a financial institution. In accordance with the arrangement, the financial institution acquired a 3% equity interest in Suzhou Shanghong for a cash consideration of RMB5,000,000 and will also extend a loan of RMB165,000,000 to Suzhou Shanghong. In return, the Group will pay an interest of 8.4% per annum on the loan and equity interest.

Under the terms of the arrangement, the Group is obligated to re-acquire the 3% equity interest in Suzhou Shanghong for a consideration of RMB5,000,000 and repay the loan amounting of RMB165,000,000 plus interest within two years upon receiving the loan.

As at 31 December 2015, the Group completed the transfer of the 3% equity interest in Suzhou Shanghong to the financial institution for RMB5,000,000. The Group received the loan of RMB165,000,000 in January 2016.

As at 31 December 2016, the carrying amount of the loan is RMB165,000,000.

(b) In 2015, the Group entered into a debt financing arrangement with a financial institution. In accordance with the arrangement, the financial institution acquired a 4% equity interest in Suzhou Xingshang for a cash consideration of RMB4,000,000 and also extended a loan of RMB91,000,000 to Suzhou Xingshang. In return, the Group will pay an interest of 10% per annum on the loan and equity interest. The financial institution has subordinated its voting rights, as shareholder of Suzhou Xingshang, on all matters relating to the relevant activities of Suzhou Xingshang to the controlling shareholders of Suzhou Xingshang.

Under the terms of the arrangement, the Group is obligated to re-acquire the 4% equity interest in Suzhou Xingshang for a consideration of RMB4,000,000 and repay the loan of RMB91,000,000 within the 12 months from 31 December 2015.

In March 2016, the Group re-acquired the 4% equity interest from the financial institution and fully settled the loan.

Secured unquoted debt securities

The secured unquoted securities of RMB487,677,000 (2015: RMB111,260,000), bear interest at rates ranging from 7.3% to 11% (2015: 9.8% to 11.0%) per annum. Subscribers of the debt securities have the right to request for redemption of the principal amount plus interest within 12 months from the issuance date.

Redeemable preference shares

In September 2016, CWG Development Pty Ltd (formerly known as Chiwayland Australia Pty Ltd), a wholly-owned subsidiary of the Group, issued 10,660,000 cumulative redeemable preference shares ("RPS") at an issue price of AUD$1 per share, amounting to RMB55,000,000.

The RPS carry a dividend rate of 11% per annum. CWG Development Pty Ltd has the obligation to pay dividend on a half yearly basis and the obligation to redeem the RPS on 30 January 2018.

The RPS do not carry the right to vote at general meeting and rank senior to the ordinary shares with regards to CWG Development Pty Ltd's residual assets, to the extent of the face value of the RPS.

18 Loans and borrowings (cont'd)

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Currency	Nominal interest rate	Year of maturity	Face value RMB'000	Carrying amount RMB'000
Group					
2016					
Secured borrowings from financial institutions	RMB	PBOC to PBOC+20%	2017-2026	1,298,314	1,298,314
Secured borrowings from financial institutions	RMB	4.25% - 11%	2017-2019	3,721,885	3,721,885
Secured borrowings from financial institutions	AUD	3.885% - 4.825%	2017	248,211	248,211
Secured borrowings from financial institutions	USD	1.4326%	2017	62,627	62,627
Unsecured borrowings from financial institutions	RMB	10% - 12%	2017	110,000	110,000
Secured loan from non-controlling interests	RMB	6.9% - 11%	2017-2018	2,065,000	2,065,000
Secured loan from non-controlling interests	AUD	12%	2018	75,236	75,236
Secured unquoted debt securities	RMB	9% - 11%	2017	146,670	146,670
Secured unquoted debt securities	USD	7.3% - 8%	2017-2018	341,007	341,007
Redeemable preference shares	AUD	11%	2018	55,000	55,000
				8,123,950	8,123,950

18 Loans and borrowings (cont'd)

Terms and debt repayment schedule (cont'd)

	Currency	Nominal interest rate	Year of maturity	Face value RMB'000	Carrying amount RMB'000
Group					
2015					
Secured borrowings from financial institutions	RMB	PBOC + 5% to 25%	2016-2018	849,547	849,547
Secured borrowings from financial institutions	RMB	8.4% – 13.6%	2016-2017	1,671,833	1,671,833
Secured borrowings from financial institutions	AUD	2.8%	2017	35,221	35,221
Unsecured borrowings from financial institutions	RMB	12.0%	2016	117,000	117,000
Secured loan from non-controlling interests	RMB	11.0%	2017	1,435,000	1,435,000
Secured unquoted debt securities	RMB	9.8% – 11.0%	2016	111,260	111,260
				4,219,861	4,219,861

Secured borrowings from financial institutions are secured by the following:

(a) the Group's investment properties and development properties with total carrying amounts of RMB5,658,393,000 (2015: RMB4,877,602,000) (see note 5 and 9);

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

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

- SCLG's 100% equity interest in Xuancheng Chiway;
- SCLG's 75% equity interest in Suzhou Chiway Jinhui;
- SCLG's 60% equity interests in Suzhou Chiway Shangcheng;
- SCLG's 55% equity interests in Suzhou Xingshang;
- SCLG's 31% equity interests in Xuzhou Chiway;
- Shanghai Tongrui's 49% equity interests in Xuzhou Chiway;
- Suzhou Chiway Shangcheng's 100% equity interests in Suzhou Shanghong;
- Suzhou Chiway Shangcheng's 100% equity interests in Suzhou Hengtang;
- Suzhou Chiway Shangcheng's 100% equity interests in Wuhan Chiway;
- Suzhou Chiway Shangcheng's 95% equity interests in Zhangjiagang Wanhong; and
- Suzhou Chiway Shangcheng's 95% equity interests in Wuxi Taihu.

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

(e) a corporate guarantee provided by SCLG; and

(f) a corporate guarantee provided by the Company.

18 Loans and borrowings (cont'd)

Terms and debt repayment schedule (cont'd)

Loan from non-controlling interests is secured by the following:

- net assets of Suzhou Shangcheng, Suzhou Jinhui and SCLG of the Group;
- a personal guarantee provided by Mr. Qian Jianrong;
- a corporate guarantee provided by SCLG; and
- a corporate guarantee provided by the Company.

Secured unquoted debt securities are secured by a corporate guarantee provided by SCLG.
Information about the Group's exposure to interest rate and liquidity risks related to loans and borrowings is disclosed in Note 28.

19 Trade payables, other payables and advance receipts

	Group		Company	
	2016 RMB'000	2015 RMB'000	2016 RMB'000	2015 RMB'000
Trade payables	1,243,423	1,118,914	–	–
Advance receipts from customers	3,088,111	3,614,513	–	–
Amounts due to related corporations				
- trade	1,484	2,938	–	–
- non-trade	13,745	3,915	–	–
Amounts due to non-controlling interests				
- non-trade	2,821	17,600	–	–
Other taxes payable	126,412	2,515	–	–
Accrued staff costs	8,338	5,101	–	–
Other payables	149,390	183,499	1,359	641
Amount due to government	45,616	19,982	–	–
Amount payable for acquisition of land	180,565	–	–	–
Bills payable	42,150	109,400	–	–
	4,902,055	5,078,377	1,359	641

Transactions with related parties are unsecured and priced on terms agreed between parties.

The non-trade amounts due to related corporations and non-controlling interests are unsecured, interest-free and are repayable on demand.

The amount due to government is unsecured, interest-free, and is repayable on demand. It represents the excess of the selling prices of certain development properties sold by the Group over the selling prices pre-determined by the government. The Group is obliged to return the excess amount to the government.

The Group's exposure to liquidity risks related to trade payables, other payables and advance receipt is disclosed in Note 28.

20 Revenue

	Group 2016 RMB'000	Group 2015 RMB'000
Sales of property units	4,745,815	3,551,902
Rental income	15,628	13,346
Property management and other service income	19,018	12,045
	4,780,461	3,577,293

21 Other income

	Note	Group 2016 RMB'000	Group 2015 RMB'000
Government grants		784	459
Gain on disposal of property, plant and equipment		58	538
Gain on liquidation of joint venture		920	–
Gain on disposal of financial assets available-for-sale		2,150	589
Change in fair value of investment properties		–	91,802
Others		2,080	1,602
Total		5,992	94,990

22 Personnel expenses

	Note	Group 2016 RMB'000	Group 2015 RMB'000
Wages and salaries		103,667	78,215
Contributions to defined contribution plans		19,261	18,494
Staff welfare, bonuses and other allowances		10,180	8,994
Total		133,108	105,703
Less:			
Personnel expenses capitalised in development properties during the year		(39,929)	(23,753)
Personnel expenses recognised in profit or loss	24	93,179	81,950

23 Net finance costs

	Note	Group 2016 RMB'000	Group 2015 RMB'000
Finance income:			
Interest income on bank deposits		21,913	17,053
Interest income on loans and receivables from joint venture		10,507	–
		32,420	17,053
Finance costs:			
Interest expenses on loans and borrowings from:			
- financial institutions		(375,120)	(415,900)
- related corporations		(3,242)	–
- non-controlling interests		(139,892)	(13,983)
- unquoted debt securities		(7,924)	–
Total interest expenses on loans and borrowings		(526,178)	(429,883)
Less:			
Total interest expenses capitalised in development properties	9	438,413	371,443
Total interest expenses recognised in profit or loss		(87,765)	(58,440)
Net finance costs recognised in profit or loss		(55,345)	(41,387)

24 Profit before tax

The following items have been included in arriving at profit before tax:

	Note	Group 2016 RMB'000	Group 2015 RMB'000
Audit fees paid to:			
- auditors of the Company		655	628
- other auditors		1,458	1,401
Non-audit fees paid to:			
- auditors of the Company		292	32
- other auditors		197	–
Impairment loss on investment in financial asset available-for-sale		–	2,250
Depreciation of property, plant and equipment	4	1,939	2,496
Gain on disposal of property, plant and equipment		58	538
Foreign exchange loss (net)		16,462	5,363
Gain on liquidation of joint venture		(920)	–
(Reversal)/Recognition of impairment loss on development properties		(8,939)	47,459
Change in fair value of investment properties		3,270	(91,802)
Change in fair value of financial assets held for trading		–	(13)
Personnel expenses	22	93,179	81,950
Operating expenses arising from the rental of investment properties		1,626	1,919
Operating lease expenses		2,179	1,147

25 Tax expense

(i) Tax recognised in profit or loss

	Group	
	2016 RMB'000	2015 RMB'000
Current tax		
PRC enterprise income tax	248,717	30,451
Under provision in respect of prior years	20,856	12,526
	269,573	42,977
PRC withholding tax	11,900	–
Deferred tax		
Origination and reversal of temporary differences	(82,572)	19,336
Change in fair value of investment properties	(818)	22,950
	(83,390)	42,286
Land appreciation tax		
PRC LAT	106,033	46,397
Over provision in respect of prior years	(3,422)	(39,720)
	102,611	6,677
Total	300,694	91,940

The subsidiaries in the PRC are subject to PRC enterprise income tax at 25%, except for certain PRC subsidiaries of the Group which are taxed at the applicable tax rate of 5% to 10% on the revenue of these entities. The subsidiaries in Australia are subject to Australia corporate income tax at 30%.

LAT is levied on properties in the PRC developed for sale by the Group at progressive rates ranging from 30% to 60% on the appreciation of land value, which under the applicable regulations is calculated based on the proceeds from the sale of properties less deductible expenditures which include lease charges of land use rights, borrowing costs and all property development expenditure.

The subsidiaries engaging in property development in the PRC are subject to land appreciation taxes, which have been included in the income tax expense. However, the implementation of these taxes varies amongst various provinces in the PRC and the Group has not finalised its land appreciation tax returns for certain of its project companies with the relevant tax authorities in the PRC. Accordingly, significant judgment is required in determining the amount of land appreciation and related taxes. The ultimate tax determination is uncertain during the ordinary course of business. The Group recognises these liabilities based on management's best estimates. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the profit or loss and the provisions for land appreciation taxes in the period in which such determination is made.

25 Tax expense (cont'd)

(ii) Reconciliation of effective tax rate

	Group	
	2016 RMB'000	2015 RMB'000
Profit before tax	571,241	163,202
Tax calculated at the rates applicable to respective entities that comprise the Group	141,440	39,954
Effect of the results of joint venture and associate presented net of tax	4,954	405
Non-deductible expenses	5,919	4,509
Non-taxable income	(5,451)	(284)
PRC withholding tax	11,900	–
Current year losses for which deferred tax assets were not recognised	44,118	29,822
Under provision of PRC enterprise income tax in respect of prior years	20,856	12,526
LAT	106,033	46,397
Over provision of LAT expense in respect of prior years	(3,422)	(39,720)
Effect of tax deduction on LAT	(25,653)	(1,669)
	300,694	91,940

26 Acquisition and disposal of subsidiaries

2015

The Group completed the following transaction:

Disposal of interest in subsidiaries without a change in control

On 9 July 2015, the Group disposed of 20% of its ownership interest in Xuzhou Chiway to Qidong Junrui Industrial Co., Ltd. ("Qidong Junrui") for a consideration of RMB40,000,000. The Group recognised an increase in non-controlling interests totalling of RMB33,570,000 and an increase in accumulated profits of RMB6,430,000.

Disposal of interest in subsidiaries without a change in control (cont'd)

The following summarises the effect of the change in the Group's ownership interest in Xuzhou Chiway.

	2015 RMB'000
Group's ownership interest at 1 January	177,040
Effect of decrease in the Group's ownership interest	(33,570)
Share of total comprehensive income	1,035
Group's ownership interest at 31 December	144,505

27 Contingent liabilities

(i) Financial guarantees granted to financial institutions on behalf of purchasers of property units

The Group arranged for mortgage loan facilities for certain purchasers of property units and granted financial guarantees in favour of financial institutions for mortgaged loan facilities granted to the purchasers. The outstanding financial guarantees amounted to RMB1,232,427,000 (2015: RMB680,142,000) as at 31 December 2016. These financial guarantees terminate upon the earlier of (i) the issuance of the real estate ownership certificate to the purchaser, which is generally made available within six months after the purchaser takes possession of the relevant properties, and certificates of other interests in the relevant properties; and (ii) the repayment of the mortgaged loan by the purchaser of the property units.

In the opinion of the directors of the Company, the probability of an outflow of economic benefits arising from the outstanding financial guarantees is low. The directors assessed that the possibility of default by the purchasers of the property units is remote.

The periods in which the financial guarantees, granted in favour of financial institutions, expire are as follows:

	Group	
	2016	**2015**
	RMB'000	**RMB'000**
Less than 1 year	796,203	183,531
Between 1 and 5 years	436,224	496,611
	1,232,427	680,142

28 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, and the Group's objectives, policies and processes for measuring and managing risk.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

28 Financial risk management (cont'd)

The Audit and Risk Management Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit and Risk Management Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Management Committee.

(i) Credit risk

Credit risk is the risk of financial loss resulting from the failure of a customer or counterparty to meet its contractual obligations, and arises principally from the Group's trade receivables and other receivables, cash at bank and investments in financial assets. The Group has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. In respect of trade receivables, credit evaluation is performed on each new customer. Buyers are required to place a deposit with the Group at the time of the purchase of property units and the titles of the property units are transferred to the buyers only upon the full payment for the property units by the buyers. The Group does not offer credit terms to its customers and does not obtain collateral from them.

At 31 December 2016, 54% (2015: 71%) of the Group's total loans and receivables comprised amounts due from the related corporations, joint ventures, associate and non-controlling interests. Other than these balances, there was no concentration of credit risk as at 31 December 2016 and 2015. The Group did not record significant bad debts during the financial years ended 31 December 2016 and 2015.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade receivables, other receivables and advance payments are set out in Note 12.

Cash and cash equivalents are placed in banks and financial institutions which are regulated.

The Group limits its credit risk exposure in respect of its investments in financial assets by investing only in liquid securities and with counterparties that have a sound credit rating. The carrying amount of financial assets represents the maximum credit exposure.

In addition, the Group is exposed to credit risk in connection with financial guarantees that it has issued. The credit risk represents the loss that would be recognised upon a default by the party for which the guarantee was issued on behalf of. At the reporting date, the Group does not consider it is probable that a claim will be made against the Group entities.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group maintains a level of cash and cash equivalents deemed adequate by management to meet the Group's working capital requirements. In addition, the Group strives to maintain available banking facilities at a level commensurate to its debt position.

The Group's main sources of funding have been loans from non-controlling interests, borrowings from financial institutions and secured unquoted debt securities. The Group met its cash obligations requirements through these sources of funding and from cash flows generated from operating activities.

28 Financial risk management (cont'd)

(ii) Liquidity risk (cont'd)

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

		Cash flows			
	Carrying amount RMB'000	Contractual cash flows RMB'000	Within 1 year RMB'000	Between 1 to 5 years RMB'000	More than 5 years RMB'000
Group					
Non-derivative financial liabilities					
2016					
Loans and borrowings	8,123,950	(8,879,261)	(2,996,441)	(5,787,267)	(95,553)
Trade payables, other payables and advance receipts *	1,813,944	(1,813,944)	(1,813,944)	–	–
	9,937,894	(10,693,205)	(4,810,385)	(5,787,267)	(95,553)
2015					
Loans and borrowings	4,219,861	(4,740,414)	(1,337,086)	(3,403,328)	–
Trade payables, other payables and advance receipts *	1,463,864	(1,463,864)	(1,463,864)	–	–
	5,683,725	(6,204,278)	(2,800,950)	(3,403,328)	–

* Excludes advance receipts from customers

		Cash flows		
	Carrying amount RMB'000	Contractual cash flows RMB'000	Within 1 year RMB'000	Between 1 to 5 years RMB'000
Company				
Non-derivative financial liabilities				
2016				
Trade payables, other payables and advance receipts	1,359	(1,359)	(1,359)	–
2015				
Trade payables, other payables and advance receipts	641	(641)	(641)	–

28 Financial risk management (cont'd)

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group is exposed to currency risk on purchases and borrowings and its holdings of cash deposits that are denominated in a currency other than the functional currencies of the Group's entities. The currency in which these transactions primarily are denominated are the US dollar ("USD"), Renminbi ("RMB") and Australian dollar ("AUD").

Exposure to currency risk

The summary of quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

	USD RMB'000	RMB RMB'000	AUD RMB'000
Group			
2016			
Cash and cash equivalents	7,663	4,627	12
Loans and borrowings	(62,627)	–	(2,006)
Other payables	–	–	(100)
	(54,964)	4,627	(2,094)
2015			
Cash and cash equivalents	343	–	–

Sensitivity analysis

A 10% (2015: 10%) strengthening of the functional currency of each of the Group's entities against the USD RMB and AUD, as indicated below, at 31 December would have increased/(decreased) profit or loss by the amounts shown below respectively and would not have any impact on the amounts to be recognised directly in equity . This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit or loss	
	2016 RMB'000	2015 RMB'000
Group		
USD	5,496	(34)
RMB	(463)	–
AUD	209	–

28 Financial risk management (cont'd)

(iii) Market risk (cont'd)

Currency risk (cont'd)

A 10% weakening of the above at 31 December would have an equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

The Group's interest rate risk arises primarily from cash and cash equivalents, including restricted cash, financial assets available-for-sale and interest-bearing financial liabilities. The Group manages its interest rate exposure by maintaining a prudent mix of fixed and variable rate borrowings.

The Group is not exposed to significant interest rates risk for cash and cash equivalents or restricted cash because the interest rates of cash at bank are not expected to change significantly.

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments, as reported to the management, was as follows:

	2016 RMB'000	2015 RMB'000
Group		
Fixed rate instruments		
Financial assets available-for-sale – debt securities	55,000	250,000
Loans and borrowings	(6,541,724)	(3,259,054)
	(6,486,724)	(3,009,054)
Variable rate instruments		
Cash and cash equivalents, including restricted cash	2,027,412	1,203,532
Loans and borrowings	(1,582,226)	(960,807)
	445,186	242,725

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

28 Financial risk management (cont'd)

(iii) Market risk (cont'd)

Interest rate risk (cont'd)

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit before tax by the amounts shown below. This analysis assumes that all other variables remain constant.

	100 bp Increase RMB'000	100 bp Decrease RMB'000
Group		
2016		
Variable rate instruments	4,452	(4,452)
2015		
Variable rate instruments	2,427	(2,427)

Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group manages its investments on an individual basis and the Group's financial assets available-for-sale relates to unquoted debt securities. The fair value of the financial assets is based on their future cash flows.

Sensitivity analysis

A change of 10% in its fair value would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes all other variables remain constant.

	Profit or loss	
	10% increase RMB'000	10% decrease RMB'000
Group		
2016		
Financial assets available-for-sale	5,500	(5,500)
2015		
Financial assets available-for-sale	25,000	(25,000)

28 Financial risk management (cont'd)

(iii) Market risk (cont'd)

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount				Fair value			
	Loans and receivables	Available-for-sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Group								
31 December 2016								
Financial assets	–	55,000	–	55,000	–	–	55,000	55,000
Loans and receivables	1,323,855	–	–	1,323,855				
Cash and cash equivalents	2,027,412	–	–	2,027,412				
	3,351,267	55,000	–	3,406,267				
Loan and borrowings	–	–	(8,123,950)	(8,123,950)	–	(8,120,132)	–	(8,120,132)
Trade payables, other payables and advance receipts#	–	–	(1,813,944)	(1,813,944)				
	–	–	(9,937,894)	(9,937,894)				
31 December 2015								
Financial assets	–	250,000	–	250,000	–	–	250,000	250,000
Loans and receivables	720,442	–	–	720,442				
Cash and cash equivalents	1,203,532	–	–	1,203,532				
	1,923,974	250,000	–	2,173,974				
Loan and borrowings	–	–	(4,219,861)	(4,219,861)	–	(4,231,663)	–	(4,231,663)
Trade payables, other payables and advance receipts#	–	–	(1,463,864)	(1,463,864)				
	–	–	(5,683,725)	(5,683,725)				

Excludes advance receipts from customers

28 Financial risk management (cont'd)

(iii) Market risk (cont'd)

Accounting classifications and fair values (cont'd)

	Loans and receivables RMB'000	Other financial liabilities RMB'000	Total carrying amount RMB'000
Company			
31 December 2016			
Loans and receivables	275,027	–	275,027
Cash and cash equivalents	4,996	–	4,996
	280,023	–	280,023
Trade payables, other payables and advance receipts	–	(1,359)	(1,359)
31 December 2015			
Loans and receivables	194,632	–	194,632
Cash and cash equivalents	300	–	300
	194,932	–	194,932
Trade payables, other payables and advance receipts	–	(641)	(641)

There were no transfers of levels for the years ended 31 December 2016 and 2015.

Level 3 fair values

The following table shows a reconciliation from the opening balance to the closing balance for Level 3 fair values:

	Financial assets available-for-sale RMB'000
Group	
Balance at 1 January 2015	258,250
Acquisition	250,000
Allowance for impairment loss	(2,250)
Disposal	(256,000)
Balance at 31 December 2015/1 January 2016	250,000
Acquisition	55,000
Disposal	(250,000)
Balance at 31 December 2016	55,000

28 Financial risk management (cont'd)

(iii) Market risk (cont'd)

Valuation technique and significant unobservable input

The following table shows the valuation technique and significant unobservable input used in measuring Level 2 and 3 fair values.

Valuation technique	Significant unobservable input	Inter-relationship between key unobservable input and fair value measurement
Financial asset available-for-sale		
Discounted cash flows: The valuation model considers the present value of expected cash flows of the interest return, discounted using a risk-adjusted discount rate. This valuation technique is used in determining the fair value of financial assets available-for-sale with no active market.	• Discount rate of 2.2% (2015: 3.3% to 4.7%)	• The estimated fair value would (decrease)/ increase if the discount rates was higher/(lower)
Other financial liabilities		
Discounted cash flows: The valuation model considers the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.	Not applicable	Not applicable

Sensitivity analysis

For the fair values of financial assets available-for-sale, reasonably possible change at the reporting date to the significant unobservable input, holding other inputs constant, would have the following effects:

	Group Increase/(Decrease) in other comprehensive income, net of tax	
	1% Increase RMB'000	1% Decrease RMB'000
2016		
Discount rates	413	(413)
2015		
Discount rates	1,875	(1,875)

29 Operating lease commitments

(a) Operating lease rental payable

Non-cancellable operating lease rental are payable as follows:

	Group	
	2016 RMB'000	2015 RMB'000
Within 1 year	2,045	545
Between 1 and 5 years	1,976	763
	4,021	1,308

Non-cancellable operating leases relate to the Group's leases of commercial offices for own use in the PRC, Australia and the United States of America. The leases are for a term of less than a year to four years with options to renew.

(b) Operating lease rental receivable

Future minimum lease rental receivables for the Group on non-cancellable operating leases from investment properties are as follows:

	Group	
	2016 RMB'000	2015 RMB'000
Within 1 year	10,850	14,088
Between 1 and 5 years	13,651	18,606
After 5 years	8,951	9,043
	33,452	41,737

The Group leases out its investment properties in Suzhou, Wuxi and Xuzhou under non-cancellable operating leases. The leases typically run for a period between one year and ten years, with an option to renew the lease after that date.

30 Commitments

The Group had the following capital commitments as at the end of the reporting period:

	Group	
	2016 RMB'000	2015 RMB'000
Development expenditures contracted but not provided for	1,813,477	1,469,686
Acquisition of land contracted but not provided for	1,914,706	189,136

31 Related parties

Transactions with key management personnel

Key management personnel compensation comprises:

	Group	
	2016 RMB'000	2015 RMB'000
Directors' fees	928	814
Short-term employee benefits	10,144	9,905
Post-employment benefits	311	334
	11,383	11,053

Other related party transactions

Apart from those disclosed elsewhere in the consolidated financial statements, significant related party transactions carried out based on terms agreed between the parties are as follows:

	Group	
	2016 RMB'000	2015 RMB'000
Joint ventures		
Property management fee income earned	3,868	967
Non-controlling interests		
Interest paid	139,892	27,564
Related corporations		
Purchase of hotel and related services	460	461
Purchase of service	116	–
Purchase of construction materials	–	490
Rental income earned on lease of investment properties	3,064	2,320
Rental paid for lease of office premises	5,369	5,022
Interest paid	3,242	–

Balances with joint ventures, non-controlling interests and related corporations at the reporting date are set out in notes 7, 12, 17, 18 and 19.

32 Earnings per share

The computation of basic and diluted earnings per share for the financial years ended 31 December:

	Group	
	2016	**2015**
	RMB'000	**RMB'000**
		Restated
Profit for the year:		
Profit attributable to ordinary shareholders	116,740	37,663
Less:		
Dividends on perpetual capital securities	(12,948)	(12,361)
Dividends on redeemable perpetual preference shares	(8,867)[1]	(1,770)[1]
	94,925	23,532
Weighted average number of ordinary shares ('000)	666,846	666,851
Basic earnings per share (RMB cents)	14.23	3.53
Diluted earnings per share (RMB cents)	14.23	3.53

1 For the purpose of computing earnings per share only. These dividends had not been declared by the Company and / or its subsidiary.

Weighted average number of ordinary shares

	Company	
	2016	**2015**
	'000	**'000**
		Restated
Issued ordinary shares	666,851	666,851[2]
Effect of own shares held	(5)	–
Weighted average number of ordinary shares during the year	666,846	666,851

2 Issued ordinary shares comprises of the total outstanding shares in the Company as at 31 December 2015.

As at the reporting date, warrants are excluded from the diluted weighted average number of ordinary shares as they were anti-dilutive. The average market value of the Group's share for the purpose of calculating the dilutive effect of warrants was based on quoted market prices for the year during which warrants were outstanding.

33 Operating segments

The Group manages its businesses by divisions, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Group's CEO (the Chief Operating Decision Maker) for the purposes of resource allocation and performance assessment, the Group has presented one reportable segment.

Continuing operations

- Property development: this segment comprises the development and sale of commercial and residential properties and the leasing of investment properties to generate rental income and to derive capital gains from these investment properties in the long term. The Group's development properties are located in the PRC and Australia.

- Others: this segment comprises the provision of facilities management and consulting services and holding companies of the Group.

For the purposes of assessing segment performance and allocating resources between segments, the Group's CEO monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all current and non-current assets with the exception of other corporate assets. Segment liabilities include all current and non-current liabilities.

Revenue and expenses are allocated to the reportable segments with reference to the revenue generated and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. Segment results do not include share of results of joint ventures and associate and any other transactions at the corporate level.

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 CEO. 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.

33 Operating segments (cont'd)

Information about reportable segment

	Property development RMB'000	Others RMB'000	Total RMB'000
31 December 2016			
Revenue from external customers	4,761,443	19,018	4,780,461
Inter-segment revenue	749	28,521	29,270
Reportable segment revenue	4,762,192	47,539	4,809,731
Finance income	11,051	21,369	32,420
Finance expense	(22,569)	(65,196)	(87,765)
Reportable segment profit/(loss) for the year	691,950	(423,553)	268,397
Share of results of joint ventures and associate, net of tax	328	–	328
Other material items:			
Change in fair value of investment properties	(3,270)	–	(3,270)
Depreciation of property, plant and equipment	(1,600)	(339)	(1,939)
Write-back of development properties	8,939	–	8,939
Reportable segment assets	18,497,087	6,250,630	24,747,717
Investment in joint ventures and associate	103,251	–	103,251
Reportable segment liabilities	15,486,688	4,233,530	19,720,218
Other segment information:			
Additions to non-current segment assets during the year	247,973	291,649	539,622
31 December 2015			
Revenue from external customers	3,565,248	12,045	3,577,293
Inter-segment revenue	–	27,033	27,033
Reportable segment revenue	3,565,248	39,078	3,604,326
Finance income	16,057	996	17,053
Finance expense	(54,822)	(3,618)	(58,440)
Reportable segment profit/(loss) for the year	128,964	(58,304)	70,660
Share of results of joint ventures, net of tax	(1,348)	–	(1,348)
Other material items:			
Change in fair value of investment properties	91,802	–	91,802
Depreciation of property, plant and equipment	(2,010)	(486)	(2,496)
Write-down of development properties	(47,459)	–	(47,459)
Reportable segment assets	12,667,785	3,184,388	15,852,173
Investment in joint ventures	15,062	–	15,062
Reportable segment liabilities	10,165,259	2,679,153	12,844,412
Other segment information:			
Additions to non-current segment assets during the year	94,046	–	94,046

33 Operating segments (cont'd)

Reconciliation of reportable segment revenue, profits, assets and liabilities

	2016 RMB'000	2015 RMB'000
Revenue		
Reportable segment revenue	4,809,731	3,604,326
Elimination of inter-segment revenue	(29,270)	(27,033)
Revenue	4,780,461	3,577,293
Total profit or loss		
Reportable segment profit for the year	268,397	70,660
Change in fair value of financial assets held for trading	–	13
Gain on disposal of financial assets available-for-sale	2,150	589
Profit for the year	270,547	71,262
Total assets		
Reportable segment assets	24,747,717	15,852,173
Elimination of inter-segment receivables	(5,890,355)	(3,084,796)
Elimination of inter-segment investments	(3,595,093)	(1,861,351)
Other unallocated amounts	55,000	250,000
Consolidated total assets	15,317,269	11,156,026
Total liabilities		
Reportable segment liabilities	19,720,218	12,844,412
Elimination of inter-segment payables	(5,890,355)	(2,934,605)
Consolidated total liabilities	13,829,863	9,909,807

Geographical information

The Group operates in the PRC, Australia and United States of America. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

	2016 RMB'000	2015 RMB'000
Revenue		
PRC	4,774,105	3,577,293
Australia	6,356	–
	4,780,461	3,577,293
Non-current assets*		
PRC	1,268,645	1,013,089
USA	29,161	–
Australia	428	884
Singapore	39	3
	1,298,273	1,013,976

* Excluding deferred tax assets and other receivables

33 Operating segments (cont'd)

Major customers

For the years ended 31 December 2016 and 2015, there was no single customer that contributed 10% or more to the Group's total revenue.

34 Accounting estimates and judgement in applying accounting policies

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be recoverable under the circumstances.

The Group believes that following critical accounting policies involved significant judgements and estimates used in the preparation of the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

Valuation of investment properties

The fair value of the respective properties are determined by an independent firm of professional valuers. In determining the fair value, the valuer used direct comparison, income and residual approaches, all of which involve the use of estimates. Management exercised its judgment of the valuation methods adopted and the estimates used which included their assessment of the reasonableness of the estimates used taking into account the market conditions at the time. The key assumptions used to estimate the fair value of investment properties include market-corroborated capitalisation rates applicable to the nature and type of asset in question and estimates of future rental rates. Changes in the assumptions used could affect the valuation of investment properties.

Valuation of development properties

Management assesses whether impairment losses on properties under development are required based on their estimates of selling prices and construction costs. Selling prices are based on recent selling prices and the prevailing market conditions. Construction costs are estimated based on contracted amounts, and in respect of amounts not contracted for, management's estimates of the amounts to be incurred.

Management also assesses if any write-down of completed properties held for sale is required based on their estimates of selling prices which are based on recent selling prices and the prevailing market conditions.

Valuation of loans and receivables

At each reporting date, the Group evaluates whether there is any objective evidence that loans and receivables are impaired and determine that the amount of impairment loss as a result of the inability of the debtors to make required payments.

The Group bases the estimates on the aging of the loans and receivables, credit-worthiness of the debtors, and historical write-off experience. If the financial conditions of the debtors were to deteriorate, actual write-offs would be higher than estimated.

34 Accounting estimates and judgement in applying accounting policies (cont'd)

Taxes

Significant judgement is required in determining the tax allowances, taxability of certain income and deductibility of certain expenses during the estimate of the provision of taxes and deferred taxes.

The Group exercises significant judgement to determine the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. The Group also exercises significant judgement to determine the extent and timing of land appreciation tax to be incurred at each reporting period (note 25).

Critical judgement made in applying accounting policies

Classification of investments in subsidiaries, joint ventures and associate

The Group assessed the terms and conditions of the respective shareholder's agreement entered into for each of its investments in subsidiaries, joint ventures and associate. The Group made critical judgement over its ability to exercise control, significant influence or joint control over its investees. The management's judgement included consideration of control, significant influence or joint control exercised at the board of the respective investees, and their rights and obligations arising from board reserve matters as agreed with other shareholders.

In the current year, the Group exercised significant judgement in the accounting of its arrangement with respect to its investments in Suzhou Shangrong and Suzhou Wanrong. (see note 6 for further information on judgements exercised).

35 Subsequent events

On 6 March 2017, the Group acquired 60% interest in Suzhou Xinglun Travel Tourism Industry Co., Ltd for a purchase consideration of RMB197,180,000.

STATISTICS OF SHAREHOLDINGS

As at 20 March 2017

Class of shares	:	Ordinary Shares
Issued and fully paid-up capital (including Treasury Shares)	:	S$430,402,210.78
Issued and fully paid-up capital (excluding Treasury Shares)	:	S$429,593,200.28
Number of shares issued (including Treasury Shares)	:	666,851,006 shares
Number of shares issued (excluding Treasury Shares)	:	662,038,606 shares
Number/Percentage of Treasury Shares	:	4,812,400 shares (0.73%)
Voting rights (excluding Treasury Shares)		One vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of shareholdings	No. of shareholders	%	No. of Shares	%
1 - 99	81	3.13	2,444	0.00
100 - 1,000	379	14.64	243,755	0.04
1,001 - 10,000	1,449	55.97	5,950,419	0.90
10,001 - 1,000,000	657	25.37	51,157,119	7.73
1,000,001 and above	23	0.89	604,684,869	91.33
Total	2,589	100.00	662,038,606	100.00

SHAREHOLDING HELD IN HANDS OF PUBLIC

As at 20 March 2017, approximately 23.33% of the issued ordinary shares (excluding treasury shares) of the Company is held by the public and therefore, Rule 723 of the Listing Manual is complied with.

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of shares	%
1	Sinway Investment Co Ltd	499,241,587	75.41
2	H&H Wealth Co Ltd	29,481,395	4.45
3	Lee King Huat	11,224,000	1.70
4	Maybank Kim Eng Securities Pte Ltd	9,726,405	1.47
5	UOB Kay Hian Pte Ltd	9,023,713	1.36
6	Wong Kum Ying	4,950,830	0.75
7	R H Energy Holdings Pte Ltd	4,644,751	0.70
8	DBS Nominees Pte Ltd	4,086,104	0.62
9	OCBC Securities Private Ltd	4,042,329	0.61
10	Hedy Goh Kiow Leng	3,650,000	0.55
11	Jin Weihua	3,487,666	0.53
12	Citibank Nominees Singapore Pte Ltd	2,938,833	0.44
13	Zhang Rongjie	2,528,000	0.38
14	Phillip Securities Pte Ltd	2,048,393	0.31
15	Sim Mong Chuan Mervyn (Shen Maoquan Mervyn)	1,800,000	0.27
16	Gao Derong	1,731,333	0.26
17	Raffles Nominees (Pte) Ltd	1,697,497	0.26
18	Tan Eng Ann	1,580,033	0.24
19	ABN Amro Clearing Bank N.V.	1,523,000	0.23
20	KGI Securities (Singapore) Pte Ltd	1,515,000	0.23
	Total	600,920,869	90.77

SUBSTANTIAL SHAREHOLDERS

as recorded in the Register of Substantial Shareholders

	Direct Interest		Deemed Interest	
Name of Substantial Shareholders	**Number of Shares**	**% (1)**	**Number of Shares**	**% (1)**
Sinway Investment Co., Ltd. (2)	499,241,587	75.41	–	–
Qian Jianrong (2)	–	–	499,241,587	75.41

Notes:

(1) The percentage of issued share capital is calculated based on the number of issued ordinary shares of the Company as at 20 March 2017, excluding treasury shares.

(2) Mr. Qian Jianrong owns 86.0% of the equity interest in Sinway Investment Co., Ltd., and is therefore deemed to be interested in 499,241,587 Shares held by Sinway Investment Co., Ltd. The other shareholders of Sinway Investment Co., Ltd. are Mao En (7.5%), Gong Ming (4.3%) and Tian Honglei (2.2%).

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting ("**AGM**") of CWG International Ltd. (formerly known as Chiwayland International Limited) (the "**Company**") will be held at Meeting Room 308, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Monday, 24 April 2017 at 10.00 a.m. for the following purposes:-

AS ORDINARY BUSINESS

1. To receive and, if approved, adopt the Audited Accounts for the financial year ended 31 December 2016 together with the Directors' Statement and Auditors' Report thereon. **Resolution 1**

2. To approve the payment of Directors' Fees of S$199,000 for the period from 1 April 2017 to 31 March 2018 (FY2016: S$165,434.93; 1 January 2017 to 31 March 2017: S$49,750). **Resolution 2**

3. To re-elect Mr. Tian Honglei who is retiring under Regulation 107 of the Company's Constituion, as Director of the Company. **Resolution 3**

4. To re-elect Mr. Kwok Wei Woon who is retiring under Regulation 107 of the Company's Constituion, as Director of the Company. **Resolution 4**

   [See Explanatory Note (i)]

5. To re-elect Mr. Thio Shen Yi who is retiring under Regulation 117 of the Company's Constituion as Director of the Company. **Resolution 5**

   [See Explanatory Note (ii)]

6. To re-elect Mr. Lai Huen Poh who is retiring under Regulation 117 of the Company's Constituion, as Director of the Company. **Resolution 6**

   [See Explanatory Note (iii)]

7. To re-appoint Messrs KPMG LLP, as the Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 7**

8. To transact any other ordinary business which may be properly transacted at an annual general meeting.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution (with or without amendments) as Ordinary Resolution:-

9. **General mandate to allot and issue new shares in the capital of the Company**

   That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "**Act**"), the Constitution of the Company and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") ("**Listing Manual**"), the Directors of the Company be authorised and empowered to:-

   (a) issue shares in the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

   (b) make or grant offers, agreements, or options that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible or exchangeable into Shares (collectively, "**Instruments**"), at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and (notwithstanding the authority conferred by this Resolution may have been ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, provided that:-

(i) the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution and including Shares which may be issued pursuant to any adjustments effected under any relevant Instrument) to be issued pursuant to this Resolution does not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (iii) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed twenty per cent (20%) of the total issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (iii) below);

(ii) notwithstanding paragraph (i) above, the aggregate number of Shares to be issued pursuant to a pro-rata renounceable rights issue shall not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (iii) below)

(iii) (subject to such manner of calculation may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraphs (i) and (ii) above, the total number of issued Shares shall be calculated and based on the total number of issued Shares in the capital of the Company (excluding treasury shares) at the time of the passing of this Resolution, after adjusting for:

   (1) new Shares arising from the conversion or exercise of the Instruments or any convertible securities;

   (2) new Shares arising from the exercise of share options or vesting of share awards outstanding and/or subsisting at the time of passing this Resolution, provided that the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Listing Manual; and

   (3) any subsequent bonus issue, consolidation or subdivision of Shares.

(iv) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Companies Act, the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Act and the Constitution for the time being of the Company; and

(v) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier. **Resolution 8**

[See Explanatory Note (iv)]

10. **The Renewal of the Share Buyback Mandate**

That:

(a) for the purposes of the Listing Manual and the Act, the Directors be and are hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire the Shares not exceeding in aggregate the Maximum Limit (as defined below), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:

(i) market purchase(s) (each, a "**Market Purchase**") on the SGX-ST; and/or

(ii) off-market purchase(s) (each, an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act; and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Act and the Listing Manual as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buyback Mandate**")

(b) unless varied or revoked by the members of the Company in a general meeting, the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:

(i) the date on which the next annual general meeting of the Company is held or required by law to be held;

(ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated; or

(iii) the date on which the authority conferred by the Share Buyback Mandate is varied or revoked;

(c) in this Resolution:

"**Maximum Limit**" means that number of issued Shares representing 10% of the total number of issued Shares as at the date of the passing of this Resolution, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Act, at any time during the Relevant Period, in which event the total number of Shares shall be taken to be the total number of Shares as altered. Any Shares which are held as treasury shares will be disregarded for purposes of computing the 10% limit;

"**Relevant Period**" means the period commencing from the date on which the last annual general meeting was held and expiring on the date the next annual general meeting is held or is required by law to be held, whichever is the earlier, after the date of this Resolution; and

"**Maximum Price**", in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:

(i) in the case of a Market Purchase, 105% of the Average Closing Price; and

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price, where:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of Shares was made, and is deemed to be adjusted for any corporate action that occurs after the relevant five (5) Market Days;

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution. **Resolution 9**

[See Explanatory Note (v)]

BY ORDER OF THE BOARD

QIAN JIANRONG
EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

6 APRIL 2017
SINGAPORE

Explanatory Notes:

(i) Mr. Kwok Wei Woon will, upon re-election as a Director under Resolution 4, remain as the Chairman of the Audit and Risk Management Committee, and a member of the Remuneration Committee, the Nominating Committee and the Investment Committee. Mr. Kwok Wei Woon will be considered by the Nominating Committee to be independent for the purposes of Rule 704(8) of the Listing Manual.

(ii) Mr. Thio Shen Yi will, upon re-election as a Director under Resolution 5, remain as the Chairman of the Nominating Committee, and a member of the Audit and Risk Management Committee, the Remuneration Committee and the Corporate Disclosure Committee. Mr. Thio Shen Yi will be considered by the Nominating Committee to be independent for the purposes of Rule 704(8) of the Listing Manual.

(iii) Mr. Lai Huen Poh will, upon re-election as a Director under Resolution 6, remain as the Chairman of the Remuneration Committee, and a member of the Audit and Risk Management Committee and the Nominating Committee. Mr. Lai Huen Poh will be considered by the Nominating Committee to be independent for the purposes of Rule 704(8) of the Listing Manual.

(iv) Resolution 8 proposed in item 9 above, if passed, will empower the Directors from the date of the AGM until (a) the conclusion of the next annual general meeting of the Company, or (b) the date by which the next annual general meeting of the Company is required by law to be held, or (c) the date on which such authority is varied or revoked by the Company in a general meeting, whichever is the earliest, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such instruments, up to a number not exceeding fifty per cent (50%) of the issued share capital of the Company (excluding treasury shares), of which up to twenty per cent (20%) may be issued other than on a pro rata basis to existing shareholders of the Company, save that issues of Shares pursuant to a pro-rata renounceable rights issue shall not exceed one hundred per cent (100%) of the issued share capital of the Company (excluding treasury shares).

(v) Resolution 9 proposed in item 10 above, if passed, will empower the Directors from the date of the AGM until the date the next annual general meeting is held or is required by law to be held, whichever is earlier, to purchase Shares of the Company by way of market purchases or off-market purchases of up to ten per cent (10%) of the issued share capital of the Company (excluding treasury shares) up to the Maximum Price. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate on the audited consolidated financial statements of the Group for the financial year ended 31 December 2016 are set out in greater detail in the Letter to Shareholders enclosed together with the Annual Report.

Notes:-

(1) (a) A member of the Company who is entitled to attend and vote at the AGM and who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. A proxy need not be a member of the Company.

(b) A member of the Company who is entitled to attend and vote at the AGM and who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act (Chapter 50) of Singapore.

(2) The instrument appointing a proxy must be under the hand of the appointer or his attorney duly authorisesd in writing. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorized officer or attorney. A member of the Company, which is a corporation, is entitled to appoint its authorized representative or proxy to vote on its behalf.

(3) The instrument or form appointing a proxy, duly executed, must be deposited at the registered office of the Company at 6 Eu Tong Sen Street #04-08 The Central, Singapore 059817, not less than 48 hours before the time fixed for holding the AGM in order for the proxy to be entitled to attend and vote at the AGM.

(4) A Depositor's name must appear in the Depository Register maintained by the Central Depository (Pte) Limited at least 72 hours before the time fixed for the holding of the AGM or any postponement or adjournment thereof, in order for the Depositor to attend and vote at the AGM.

(5) PERSONAL DATA PRIVACY By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any postponement or adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

CWG INTERNATIONAL LTD.

(formerly known as Chiwayland International Limited)
(Incorporated in the Republic of Singapore)
(Company Registration No. 200610437K)

PROXY FORM
ANNUAL GENERAL MEETING

IMPORTANT

1 A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see note 2 for the definition of "relevant intermediary")
2 For investors who have used their CPF monies to buy the Company's shares, this Circular is sent to them at the request of their CPF Approved Nominees solely FOR INFORMATION ONLY.
3 This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 6 April 2017.

I/We ______________________________ *(Name)*, ______________________ *(NRIC/Passport No.)*

of ____ *(Address)*

being a member/members of CWG International Ltd. (the "**Company**"), hereby appoint:-

Name	Address	*NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	*NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

or failing *him/her/them, the Chairman of the Annual General Meeting of the Company as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Annual General Meeting of the Company to be held at Meeting Room 308, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on 24 April 2017 at 10.00 a.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the Resolutions to be proposed at the Annual General Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Annual General Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. All resolutions put to the vote at the Annual General Meeting shall be decided by way of poll.

* Please delete accordingly

(Please indicate your vote "For" or "Against" with a "X" within the box provided. Otherwise please indicate the number of votes)

No.	Resolutions relating to:	For	Against
	Ordinary Business		
1.	Adoption of Audited Accounts, Directors' Statement and Auditors' Report for the financial year ended 31 December 2016		
2.	Payment of Directors' Fees amounting to S$199,000 for financial period from 1 April 2017 to 31 March 2018		
3.	Re-election of Mr. Tian Honglei as a Director of the Company		
4.	Re-election of Mr. Kwok Wei Woon as a Director of the Company		
5.	Re-election of Mr. Thio Shen Yi as a Director of the Company		
6.	Re-election of Mr. Lai Huen Poh as a Director of the Company		
7.	Re-appointment of Messrs KPMG LLP as Auditors of the Company		
	Special Business		
8.	Authority to Directors to allot and issue new shares pursuant to Section 161 of the Companies Act, Cap. 50		
9.	Renewal of the Share Buyback Mandate		

Dated this ____________ Day of ________________ 2017

Total Number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____

Signature(s) of Shareholder(s)
Or, Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

Notes:

1 Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2 (a) A member of the Company who is entitled to attend and vote at the Annual General Meeting and who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. A proxy need not be a member of the Company.

(b) A member of the Company who is entitled to attend and vote at the Annual General Meeting and who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. A proxy need not be a member of the Company. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorized officer or attorney.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act (Chapter 50) of Singapore.

3 The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 6 Eu Tong Sen Street #04-08 The Central, Singapore 059817, not less than 48 hours before the time fixed for the Annual General Meeting.

4 Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.

5 The instrument appointing a proxy or proxies must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.

6 Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

7 A corporation that is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act (Chapter 50) of Singapore.

8 The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares against his name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to vote thereat unless his name appears on the Depository Register 72 hours before the time appointed for the Annual General Meeting.

9 Terms and expressions not defined herein shall have the same meanings ascribed to them in the Annual Report 2017.

10 PERSONAL DATA PRIVACY: By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, Listing Rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

CORPORATE INFORMATION

Board of Directors

Mr. Qian Jianrong
Executive Chairman & Chief Executive Officer

Mr. Chua Hwee Song
Executive Director & Group Chief Financial Officer

Mr. Tian Honglei
Executive Director

Mr. Thio Shen Yi
Lead Independent Director

Mr. Kwok Wei Woon
Independent Director

Mr. Lai Huen Poh
Independent Director

Audit and Risk Management Committee

Mr. Kwok Wei Woon *(Chairman)*
Mr. Thio Shen Yi
Mr. Lai Huen Poh

Nominating Committee

Mr. Thio Shen Yi *(Chairman)*
Mr. Qian Jianrong
Mr. Kwok Wei Woon
Mr. Lai Huen Poh

Remuneration Committee

Mr. Lai Huen Poh *(Chairman)*
Mr. Thio Shen Yi
Mr. Kwok Wei Woon

Investment Committee

Mr. Qian Jianrong *(Chairman)*
Mr. Chua Hwee Song
Mr. Tian Honglei
Mr. Kwok Wei Woon
Mr. Li Bin

Corporate Disclosure Committee

Mr. Thio Shen Yi *(Chairman)*
Mr. Chua Hwee Song
Mr. Tian Honglei

Company Secretaries

Mr. Ong Wei Jin
Mr. Khoo Boo Han

Registered Address

6 Eu Tong Sen Street
#04-08 The Central
Singapore 059817
Tel: +65 6224 0669

Share Registrar

B.A.C.S. Private Limited
63 Cantonment Road
Singapore 089758

Auditors

KPMG LLP
Public Accountants and Chartered Accountants
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Loo Kwok Chiang Adrian
Engagement partner since financial year ended
31 December 2015

Principal Bankers

DBS Bank
National Australia Bank
Ping An Bank
Jiangsu Bank *(Shanghai Branch)*
China Bohai Bank *(Suzhou Branch)*
Industrial and Commercial Bank of China *(Suzhou Branch)*
China Merchants Bank *(Suzhou Branch)*
Bank of China *(Suzhou Branch, Xuzhou Branch)*
Agricultural Bank of China *(Suzhou Branch)*

Investor Relations Consultant

Financial PR Pte Ltd
4 Robinson Road #04-01
The House of Eden
Singapore 048543

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