(Company Registration No.: 200610437K)

CWG reports record RMB4.71 billion pre-sales receipts for 1HFY2017, on track to achieve RMB10.0 billion target for the year

- **Achieves profit before tax of RMB14.6 million for 2QFY2017, reversing losses of RMB38.2 million in 2QFY2016**
- **Plans to launch six new projects and deliver four projects in 2HFY2017 are progressing well:**
  - **Earlier delivery of *Uptown@Roseville* is expected to contribute positively to 3QFY2017 results**
  - **Launch of *Xuancheng Xinkaiyuan* in 4QFY2017 replaces launch of *Lapointe@Caddens,* which is rescheduled to 1QFY2018**
- ***The Peak@Parramatta* as announced earlier, is classified for sale and currently being marketed**

SINGAPORE, 7 August 2017 – **SGX Mainboard-listed CWG International Ltd**, together with its subsidiaries ("CWG" or the "Group"), announced today its financial results for the three months ("2QFY2017") and six months ended 30 June 2017 ("1HFY2017"), posting record pre-sales receipts of RMB4.71 billion by end 1HFY2017, giving credence to the Group's strategy to *Scale in China*. Of note, this achievement at the half year mark almost surpasses the revenue for the entire year of FY2016, which totalled RMB4.78 billion.

Despite the increasing property cooling measures in China, the Group continues to witness steady contributions from its projects, such as its best seller in 1HFY2017 - *Nanjing Royal Lake Mansion*, as well as from projects in Tier 3 cities such as Xuzhou and Xuancheng, whose performances were surprisingly better than expected, in line with the observed wider market phenomena. Pre-sales receipts in 1HFY2017 increased 128.0% yoy to RMB4.2 billion, with a 48.0% increase in pre-sales gross floor area ("GFA") of approximately 278,329 sqm. This allows the Group to command higher average selling prices ("ASPs") of RMB15,309/sqm

during 2QFY2017 (2QFY2016: RMB9,031/sqm), with the strong contributions from *Nanjing Royal Lake Mansion*, a high specification quality project of the Group.

In Australia, the Group did equally well in an increasingly tougher market environment to achieve strong pre-sales, with sales coming from all its existing projects with particularly strong showings from *Elan@Epping* and *Stellar@Ryde.* A total of 128 units were pre-sold, with a total aggregate consideration of AUD 104.8 million in 1HFY2017.

With another six new launches scheduled for the rest of the year, adding to the four already launched this year, the Group expects to maintain the momentum set in 1HFY2017 towards its target of RMB10.0 billion in pre-sales by year end. The new launches will include the recently acquired *Xuancheng Xinkaiyuan* project, which will be launched in 4QFY2017. This will replace the launch of *Lapointe@Caddens*, which has been rescheduled to 1QFY2018. Another project which was previously scheduled to be launched in 3QFY2017, *The Peak@Parramatta*, as reported in the media, is now been actively marketed.

For project delivery, the Group delivered one project in 2QFY2017 - Xuzhou Royal Palace - Block C (Phase 2), which was near fully sold at completion. With this, the international property developer reported a strong 137.0% yoy increase in revenue to RMB946.0 million for 2QFY2017. The Group expects to deliver another four projects for the rest of the year. Of note, *Uptown@Roseville* will have an earlier delivery and this is expected to contribute positively to the 3QFY2017 results. The remaining three projects remain on track.

The Group continued its trend of improving gross margin with its delivered projects, to record an improved gross profit margin of 13.9% in 2QFY2017 (2QFY2016: 10.2%) with better project mix that included *Shanghai Royal Palace* which enjoyed higher ASPs.

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As the Group ramp-up its operations in line with its *Scale in China* strategy, it registered a significant increase in development properties of RMB4.3 billion from end of last year to RMB11.9 billion as at 30 June 2017. At the same time, selling and distribution expenses increased in 1HFY2017 by 81.0% yoy to RMB85.8 million as a result of its many upcoming launches. Borrowings and financing costs have also increased in tandem. The Group's gearing ratio increased to 520.0% as of 30 June 2017 (31 Mar 2017: 402.0%), while its net financing costs have increased 84.0% to RMB48.0 million in 1HFY2017.

Overall, the Group recorded a profit before income tax of RMB14.6 million for 2QFY2017, reversing a loss of RMB38.2 million in 2QFY2016, and a net loss after tax attributable to owners of the Company of RMB8.2 million.

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

"*Both our markets in China and Australia performed well in the last half year with strong joint pre-sales receipts of RMB4.71 billion, on track to achieving our target of RMB10.0 billion in pre-sales which we have set at the beginning of the year. As at the end of 1HFY2017, we have an all-time record total of RMB8.12 billion, collected and uncollected sales. These pre-sales will be progressively recognised as revenue in subsequent financial periods, and will set the foundation for good results in the next two to three years as we deliver on the projects.*

The earlier delivery of Uptown@Roseville to 3QFY2017 will contribute to our financial results next quarter. As we aim to deliver at least one project every quarter, now possible with our larger scale of operations, it should set us for a more even performance of our quarterly results going forward.

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We are currently at the peak of our project development activities, with 10 projects launched or to be launched, and another four projects for delivery by the end of this year. We have also acquired four additional plots of land in 1HFY2017 to sustain our scale and momentum. All these have led to a heavier load on our balance sheet, with high gearing ratio at 520.0% as at end of 1HFY2017. This is to be expected as we ramp-up to scale, but we are confident that with the strong pre-sales that we are experiencing, and the careful planning and management of our projects, we will deliver value for our shareholders."

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

"Despite the cooling measures in China, we remain convicted that the market continues to offer growth opportunities due to the underlying strong demand for properties which is expected to be sustained by higher net urbanisation and a dynamic economy.

We continue to identify bright spots in fast growing Tier-3 and 4 cities and have earmarked areas such as Changsha and Chengdu as part of our expansion plans. We are however cautious on our land-bidding strategy and continue to adopt a disciplined approach.

Meanwhile, we continue to forge ahead with our partnership with State-Owned Enterprise, Shanghai Lingang Economic Development (Group) Co Ltd, the third largest industrial park developer in China, to explore joint venture collaborations as we continue to scale in China.

We are also heartened by the strong sales in our Australia market, a market whereby we have developed a mature team from scratch. The robust sales underscore the Group's strong operational capabilities. The pending delivery of our Uptown@Roseville in 3QFY2017 is also an important milestone for the Australian team. The cash flow from the project will turn our

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Australia's operations to be self-sufficient for the scale of operations and growth that we envisage going forward.

Beyond our strategies to Scale in China and Internationalising Our Footprint, we strive to expand our fund management business beyond China to develop a diversified stream of revenue and earnings as part of our transformation into an integrated property player. We are currently exploring opportunities which will hopefully mark a progressive stride in our fund management business.

Looking ahead, we remain positive about our financial performance for the year and expects to be profitable for FY2017, barring unforeseen circumstances."

– End –

ABOUT CWG INTERNATIONAL LIMITED

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

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

The Group has an established track record in developing quality residential and commercial properties and to date, has successfully delivered a total saleable gross floor area ("GFA") exceeding 2.87 million square metres ("sqm") over 31 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.

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

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

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