

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

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015

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

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

The Acquisition has been accounted for as a RTO in accordance with FRS 103, and the legal subsidiary, Chiwayland Singapore Group, is regarded as the acquirer and the Company as the acquiree, for accounting purposes. The consolidated financial statements have been prepared and presented as a continuation of Chiwayland Singapore Group’s financial statements. The unaudited consolidated financial statements for the third quarter ended 30 September 2015 and the comparative figures comprise the financial statements of Chiwayland International Limited and its subsidiaries.

Notes:

- The Group’s consolidated statement of comprehensive income for the 9 months ended 30 September 2015 refers to the results of Chiwayland International Limited and its subsidiaries for the financial period from 1 January 2015 to 30 September 2015. The Group’s consolidated income statements for the 3 months ended 30 September 2015 refers to the results of Chiwayland International Limited and its subsidiaries for the financial period from 1 July 2015 to 30 September 2015.
- The Group’s consolidated statement of comprehensive income for the 9 months ended 30 September 2014 refers to the results of Chiwayland Singapore Group for the financial period from 1 January 2014 to 30 September 2014, and results of Chiwayland International Limited for the financial period from 6 August 2014 to 30 September 2014. The Group’s consolidated statement of comprehensive income for the 3 months period ended 30 September 2014 refers to the results of Chiwayland Singapore Group for the financial period from 1 July 2014 to 30 September 2014, and results of Chiwayland International Limited for the financial period from 6 August 2014 to 30 September 2014.
- The Group’s consolidated statement of financial position as at 30 September 2015 and 31 December 2014 refer to the assets and liabilities of Chiwayland International Limited and its subsidiaries.
- The Group’s consolidated statement of cash flows for the 9 months ended 30 September 2015 and the 3 months period ended 30 September 2015 refer to the cash flows of Chiwayland International Limited and its subsidiaries.
- The Group’s consolidated statement of cash flows for the 9 months ended 30 September 2014 refer to the cash flows of Chiwayland Singapore Group. The Group’s consolidated statement of cash flows for the 3 months ended 30 September 2014 refer to the cash flows of Chiwayland Singapore Group for the financial period from 1 July 2014 to 30 September 2014 and Chiwayland International Limited for the financial period from 6 August 2014 to 30 September 2014.
- The Company’s statement of financial position as at 30 September 2015 and 31 December 2014 refers to that of Chiwayland International Limited.

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated statement of profit or loss

	GROUP			GROUP		
	3Q2015	3Q2014	% Change	9M2015	9M2014	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Revenue	573,247	266,160	115%	1,405,451	1,266,693	11%
Cost of sales	(519,116)	(204,031)	154%	(1,306,440)	(1,118,785)	17%
Gross profit	54,131	62,129	-13%	99,011	147,908	-33%
Other income	1,255	39,951	-97%	2,435	40,764	-94%
Selling and distribution expenses	(21,059)	(14,219)	48%	(55,009)	(39,451)	39%
Administrative expenses	(20,298)	(20,254)	-	(82,036)	(54,710)	50%
Other expenses	(5,858)	(105,631)	-94%	(6,448)	(106,100)	-94%
Results from operating activities	8,171	(38,024)	NM	(42,047)	(11,589)	263%
Net finance costs	(7,520)	(2,115)	256%	(27,249)	(3,783)	620%
Share of results of joint ventures, net of tax	(1,761)	(6,843)	-74%	(2,125)	(9,643)	-78%
Loss before income tax from continuing operations	(1,110)	(46,982)	-98%	(71,421)	(25,015)	186%
Income tax (expense)/credit	(5,275)	(16,651)	-68%	35,850	(28,133)	NM
Loss for the period from continuing operations	(6,385)	(63,633)	-90%	(35,571)	(53,148)	-33%
Discontinued operation						
Loss from discontinued operation, net of tax	-	(1,681)	-100%	-	(1,681)	-100%
Loss for the period	(6,385)	(65,314)	-90%	(35,571)	(54,829)	-35%
Loss for the period attributable to:						
Owners of the Company	(188)	(64,135)	-100%	(21,354)	(53,481)	-60%
Non-controlling interests	(6,197)	(1,179)	426%	(14,217)	(1,348)	955%
	(6,385)	(65,314)	-90%	(35,571)	(54,829)	-35%

NM: Not meaningful

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated statement of comprehensive income

	GROUP			GROUP		
	3Q2015	3Q2014	%	9M2015	9M2014	%
	RMB'000	RMB'000	Change + / (-)	RMB'000	RMB'000	Change + / (-)
Loss for the period	(6,385)	(65,314)	-90%	(35,571)	(54,829)	-35%
Other comprehensive loss						
<i>Items that are or maybe</i>						
<i>reclassified subsequently to</i>						
<i>profit or loss:</i>						
Foreign currency translation						
differences on foreign						
operations/Total other						
comprehensive loss for the						
period, net of tax	(4,430)	(6,744)	-34%	(8,183)	(6,744)	21%
	(10,815)	(72,058)	-85%	(43,754)	(61,573)	-29%
Total comprehensive loss						
attributable to:						
Owners of the Company	(4,618)	(70,879)	-93%	(29,537)	(60,225)	-51%
Non-controlling interests	(6,197)	(1,179)	426%	(14,217)	(1,348)	955%
Total comprehensive loss for the	(10,815)	(72,058)	-85%	(43,754)	(61,573)	-29%
period, net of tax						

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

Loss for the period is stated after charging/(crediting):

	Group		Group	
	3Q2015	3Q2014	9M2015	9M2014
	RMB'000	RMB'000	RMB'000	RMB'000
Depreciation of property, plant and equipment	543	496	1,948	1,707
Finance income	(3,403)	(1,016)	(8,738)	(5,858)
Finance cost	10,923	3,131	35,987	9,641
Foreign exchange loss/(gain)	5,848	(95)	5,361	(99)
Allowance for impairment loss on financial assets	-	-	2,250	-
Gain on disposal of financial assets available-for-sale	(224)	-	(589)	-
Gain on disposal of joint ventures	-	(35,634)	-	(35,634)
Loss/(Gain) on disposal of property, plant and equipment	2	(120)	(33)	(112)
Overprovision of tax in respect of prior years	(9,088)	-	(41,724)	-
Included in other expenses:				
Loss on disposal of subsidiaries	-	12,903	-	12,903
RTO costs arising from the reverse acquisition exercise	-	51,073	-	51,073
Professional fees paid in shares	-	41,618	-	41,618

1(b)(i) A statement of financial position (for the issuer and group) together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30-Sept -2015	31-Dec-2014	30-Sept -2015	31-Dec -2014
	RMB'000	RMB'000	RMB'000	RMB'000
Assets				
Property, plant and equipment	6,124	7,831	4	6
Investment properties	815,552	807,800	-	-
Interests in subsidiaries	-	-	1,339,867	1,393,759
Interests in joint ventures	22,285	24,410	-	-
Deferred tax assets	61,282	51,538	-	-
Non-current assets	905,243	891,579	1,339,871	1,393,765
Development properties	6,798,678	6,712,045	-	-
Contract work-in-progress ⁽¹⁾	381,301	381,301	-	-
Financial assets	-	258,519	-	-
Trade receivables, other receivables and advance payments	2,077,777	770,475	202,640	64,841
Cash and cash equivalents	1,522,487	1,131,274	340	149,099
Current assets	10,780,243	9,253,614	202,980	213,940
Total assets	11,685,486	10,145,193	1,542,851	1,607,705
Equity				
Share capital	298,577	298,577	1,582,272	1,582,272
Reserves	158,359	187,896	(183,770)	(118,989)
Equity attributable to owners of the Company	456,936	486,473	1,398,502	1,463,283
Perpetual capital securities	143,781	143,781	143,781	143,781
	600,717	630,254	1,542,283	1,607,064
Non-controlling interests	478,931	404,148	-	-
Total equity	1,079,648	1,034,402	1,542,283	1,607,064
Liabilities				
Loans and borrowings	2,696,319	2,676,066	-	-
Deferred tax liabilities	86,929	87,778	-	-
Non-current liabilities	2,783,248	2,763,844	-	-
Loans and borrowings	960,950	1,227,000	-	-
Trade payables, other payables and advance receipts	6,414,603	4,606,129	568	641
Advance receipts from government ⁽¹⁾	439,853	439,853	-	-
Tax payable	7,184	73,965	-	-
Current liabilities	7,822,590	6,346,947	568	641
Total liabilities	10,605,838	9,110,791	568	641
Total equity and liabilities	11,685,486	10,145,193	1,542,851	1,607,705

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

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30 September 2015		As at 31 December 2014	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
847,573	113,377	1,105,000	122,000

Amount repayable after one year

As at 30 September 2015		As at 31 December 2014	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
2,696,319	-	2,676,066	-

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

- (i) the Group's investment properties and development properties with total carrying amounts of RMB 4,132,549,000 (as at 31 December 2014: RMB 5,816,737,000) as at 30 September 2015;
- (ii) net assets of Suzhou Jiarun and Suzhou Chiwayland Group Co., Ltd. ("SCLG") of the Group;
- (iii) SCLG's 100% equity interest in Suzhou Jiarun, SCLG's 80% equity interest in Xuzhou Chiway, and SCLG's 60% equity interests in Suzhou Chiway Shangcheng;
- (iv) corporate guarantee provided by Chiway Holding Group Co. Ltd., a company in which Mr Qian Jianrong, a director of the Company, has substantial financial interests; and
- (v) a personal guarantee provided by Mr. Qian Jianrong.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		Group	
	3Q 2015	3Q 2014	9M 2015	9M 2014
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from operating activities				
Loss for the period	(6,385)	(65,314)	(35,571)	(54,829)
Adjustments for:				
Depreciation of property, plant and equipment	543	496	1,948	1,707
Gain on disposal of financial assets available-for-sale	(224)	-	(589)	-
Loss on disposal of subsidiaries	-	12,903	-	12,903
Gain on disposal of joint ventures	-	(35,634)	-	(35,634)
RTO costs arising from the reverse acquisition exercise	-	51,073	-	51,073
Professional fees paid in shares	-	41,618	-	41,618
Loss /(Gain) on disposal of property, plant and equipment	2	(120)	(33)	(112)
Allowance for impairment loss on financial assets	-	-	2,250	-
Net finance costs	7,520	2,115	27,249	3,783
Share of results of joint ventures, net of tax	1,761	6,843	2,125	9,643
Foreign exchange loss/(gain)	5,848	(95)	5,361	(99)
Income tax expense /(credit)	5,275	16,651	(35,850)	28,133
	14,340	30,536	(33,110)	58,186
Changes in:				
- Development properties	156,658	(520,290)	191,379	(601,722)
- Trade receivables, other receivables and advance payments	(813,758)	216,534	(1,219,125)	288,570
- Trade payables, other payables and advance receipts	594,179	320,261	1,866,845	(13,062)
- Contract work-in-progress	-	-	-	(650)
Cash (used in)/generated from operations	(48,581)	47,041	805,989	(268,678)
Income tax paid	(28,831)	(6,343)	(85,264)	(34,099)
Net cash (used in)/generated from operating activities	(77,412)	40,698	720,725	(302,777)
Cash flows from investing activities				
Acquisition of financial assets held for trading	-	-	-	(6,000)
Acquisition of property, plant and equipment	(47)	(596)	(297)	(2,477)
Acquisition of subsidiary, net of cash acquired	-	41,107	-	41,107
Acquisition of subsidiary from non-controlling interests	-	(23,342)	-	(23,642)
Proceeds from the disposal of subsidiaries	-	6,595	-	6,595
(Increase)/decrease in amounts due from related corporations, non-trade	(2,045)	-	222	-
Decrease/(increase) in amounts due from non-controlling interests, non-trade	160,000	-	(37,500)	-
Increase in amounts due from joint ventures, non-trade	(6,265)	(7,996)	(19,642)	(7,996)
Development expenditure on investment properties	-	(35,842)	(7,752)	(90,126)

	Group		Group	
	3Q 2015	3Q 2014	9M 2015	9M 2014
	RMB'000	RMB'000	RMB'000	RMB'000
Interest received	3,403	1,016	8,738	5,858
Disposal of interest in subsidiaries to non-controlling interest without a change in control	44,000	-	44,000	-
Proceeds from disposal of property, plant and equipment	-	88	89	88
Proceeds from redemption of financial assets available-for-sale	6,455	-	256,858	-
Net cash generated from /(used in) investing activities	205,501	(18,970)	244,716	(76,593)
Cash flows from financing activities				
Capital contribution by non-controlling interests	-	-	45,000	81,022
Interest paid	(94,996)	(100,158)	(314,000)	(329,806)
Decrease /(increase) in restricted cash	90,348	(4,875)	7,948	36,257
(Decrease)/increase in amounts due to related corporations (non-trade)	(39,455)	95,000	(57,024)	28,186
Increase/(decrease) in amounts due to non-controlling interests (non-trade)	200,004	(50,000)	20,011	(800,000)
(Decrease) /increase in amounts due to joint ventures (non-trade)	(53,526)	-	(53,803)	29,682
Increase/(decrease) in bills payable	81,650	27,250	32,450	(94,150)
Proceeds from issuance of new shares	-	16,798	-	16,798
Proceeds of borrowings from financial institutions	380,267	462,000	775,204	2,402,000
Repayment of borrowings from financial institutions	(345,000)	(593,000)	(1,021,000)	(962,074)
Net cash generated from /(used in) financing activities	219,292	(146,985)	(565,214)	407,915
Net increase/(decrease) in cash and cash equivalents	347,381	(125,257)	400,227	28,545
Cash and cash equivalents at the beginning of period	985,176	459,670	933,604	305,864
Effect of exchange rate changes on cash held	208	95	(1,066)	99
Cash and cash equivalents at the end of period	1,332,765	334,508	1,332,765	334,508
Restricted cash at the end of period	189,722	226,158	189,722	226,158
Cash and cash equivalents in the statement of financial position	1,522,487	560,666	1,522,487	560,666

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Foreign currency				Accumulated profits	Total ordinary equity	Perpetual capital securities	Total	Non- controlling interests	Total equity
	Share capital	Merger reserve	Statutory reserve	translation reserve						
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	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 loss for the period										
Loss for the period	-	-	-	-	(21,354)	(21,354)	-	(21,354)	(14,217)	(35,571)
Other comprehensive loss										
Foreign currency translation differences on foreign operations/Total other comprehensive loss for the period	-	-	-	(8,183)	-	(8,183)	-	(8,183)	-	(8,183)
Total comprehensive loss for the period	298,577	(44,710)	102,663	(123,112)	(223,518)	456,936	143,781	600,717	389,931	990,648
Transaction with owners, recognised directly in equity										
Changes in ownership interests in subsidiaries										
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	45,000	45,000
Disposal of interest in subsidiaries to non-controlling interests without a change in control	-	-	-	-	-	-	-	-	44,000	44,000
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	89,000	89,000
Total transactions with owners	-	-	-	-	-	-	-	-	89,000	89,000
At 30 September 2015	298,577	(44,710)	102,663	(123,112)	223,518	456,936	143,781	600,717	478,931	1,079,648

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Share capital RMB'000	Merger reserve RMB'000	Statutory reserve RMB'000	Accumulated profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2014	-*	(44,710)	95,440	245,600	296,330	285,166	581,496
Total comprehensive income for the period							
Loss for the period	-	-	-	(53,481)	(53,481)	(1,348)	(54,829)
Other comprehensive loss							
Foreign currency translation differences on foreign operations/Total other comprehensive loss for the period	-	-	-	(6,744)	(6,744)	-	(6,744)
Total comprehensive loss for the period	-	-	-	(60,225)	(60,225)	(1,348)	(61,573)
Transaction with owners, recognised directly in equity							
Contributions by and distributions to owners							
Issuance of new shares pursuant to the reverse takeover (“RTO”) exercise	239,556	-	-	-	239,556	-	239,556
Professional fees paid in shares	41,618	-	-	-	41,618	-	41,618
Issuance of shares pursuant to share placement exercise	18,083	-	-	-	18,083	-	18,083
Share issuance expenses	(680)	-	-	-	(680)	-	(680)
Total contributions by and distributions to owners	298,577	-	-	-	298,577	-	298,577
Changes in ownership interests in subsidiaries							
Capital contribution by non-controlling interests	-	-	-	-	-	81,022	81,022
Acquisition of non-controlling interests without a change in control	-	-	-	(3,153)	(3,153)	(207)	(3,360)
Total changes in ownership interests in subsidiaries	-	-	-	(3,153)	(3,153)	80,815	77,662
Total transactions with owners	298,577	-	-	(3,153)	295,424	80,815	376,239
At 30 September 2014	298,577	(44,710)	95,440	182,222	531,529	364,633	896,162

*Amount below RMB 1,000

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Company	Share capital RMB'000	Accumulated losses RMB'000	Warrants reserve RMB'000	Foreign currency translation reserve RMB'000	Total ordinary equity RMB'000	Perpetual capital securities RMB'000	Total equity RMB'000
At 1 January 2015	1,582,272	(22,216)	6,094	(102,867)	1,463,283	143,781	1,607,064
Total comprehensive loss for the period							
Loss for the period	-	(2,705)	-	-	(2,705)	-	(2,705)
Other comprehensive loss							
Foreign currency translation differences/Total other comprehensive loss for the period	-	-	-	(62,076)	(62,076)	-	(62,076)
Total comprehensive loss for the period	-	(2,705)	-	(62,076)	(64,781)	-	(64,781)
At 30 September 2015	1,582,272	(24,921)	6,094	(164,943)	1,398,502	143,781	1,542,283

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Company	Share capital RMB'000	Retained profits RMB'000	Warrants Reserve RMB'000	Foreign currency translation reserve RMB'000	Total equity RMB'000
At 1 January 2014	137,826	54,125	6,094	-	198,045
Total comprehensive loss for the period					
Loss for the period	-	(168,971)	-	-	(168,971)
Other comprehensive loss					
Foreign currency translation differences/Total other comprehensive loss for the period	-	-	-	(10,116)	(10,116)
Total comprehensive loss for the period	-	(168,971)	-	(10,116)	(179,087)
Transaction with owners, recognised directly in equity					
Contributions by and distributions to owners					
Increase in share capital arising from the RTO:					
- Issuance of shares pursuant to the RTO completed on 6 Aug 2014	239,556	-	-	-	239,556
- Professional fee paid in shares	41,618	-	-	-	41,618
- Issue of placement shares	18,083	-	-	-	18,083
- Expenses on issuance of new shares	(680)	-	-	-	(680)
Total contributions by and distributions to owners	298,577	-	-	-	298,577
Total transactions with owners	298,577	-	-	-	298,577
At 30 September 2014	436,403	(114,846)	6,094	(10,116)	317,535

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no changes in the Company's share capital in 3Q2015. The share capital of the Company as at 30 September 2015 was RMB1,582,272,000 comprising 666,851,006 shares.

The Company did not have treasury shares as at 30 September 2015 and 31 December 2014.

The Company had 47,488,212 warrants as at 30 September 2015 and 31 December 2014.

On 9 October 2014, the Company entered into a subscription agreement to issue perpetual capital securities to a third party investor for a consideration of S\$30 million (RMB143.78 million). The Company issued the perpetual capital securities to the subscriber on 17 October 2014.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	30 September 2015	31 December 2014
Total number of issued ordinary shares	666,851,006	666,851,006

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. There were no treasury shares during the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

These figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except as disclosed in note 5, the Group has applied the same accounting policies and methods of computation in the preparation of the consolidated financial statement for the financial period

ended 30 September 2015 as those used in the audited consolidated financial statements of Chiwayland International Limited and its subsidiaries for the financial year ended 31 December 2014.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has adopted all new and revised Financial Reporting Standards (“FRS”) and interpretation to FRS (“INT FRS”) that are relevant to its operations and effective for the financial year beginning on 1 January 2015. The adoption of these new and revised FRS, and INT FRS did not result in substantial changes in the Group’s accounting policies, and there is no material impact on the consolidated financial statements of the Group and the financial statements of the Company.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

The basic earnings per share of the Group for the 9 months ended 30 September 2015 is computed based on weighted average number of ordinary shares outstanding in the period. For comparative purpose, the basic earnings per share of the Group for the 9 months ended 30 September 2014 is computed based on the number of consideration shares issued for the RTO. The diluted earnings per share is the same as the basic earnings per share as the outstanding warrants are anti-dilutive.

	Group 3Q 2015	Group 3Q 2014	Group 9M 2015	Group 9M 2014
Loss for the period attributable to owners of the Company (RMB ’000)	(3,272) ⁽¹⁾	(64,135)	(30,607) ⁽¹⁾	(53,481)
Weighted average number of ordinary shares in issue	666,851,006	588,467,182	666,851,006	588,467,182
Earnings per ordinary share of the Group				
(i) Basic (RMB cents)	(0.49)	(10.90)	(4.59)	(9.09)
(ii) Diluted (RMB cents)	(0.49)	(10.90)	(4.59)	(9.09)

The basic earnings per share of the Group in 3Q 2014 and 9M 2014 is computed based on weighted average number of ordinary shares

Note:

- (1) Loss for the period attributable to owners of the Company for the purpose of computing EPS is net of the dividends payable on the perpetual capital securities amounting RMB3.08 million for 3Q2015 and RMB9.25 million for 9M2015. As at the date of this announcement, the Company has not declared payment of these dividends.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Group 30 Sept 2015	Group 31 Dec 2014
Net asset value per ordinary share of the Group⁽¹⁾		
(RMB cents)	140.3	133.6
Number of ordinary shares based on issued share capital at the end of the period reported on ('000)	666,851	666,851

	Company 30 Sept 2015	Company 31 Dec 2014
Net asset value per ordinary share of the Company⁽¹⁾		
(RMB cents)	209.7	219.4
Number of ordinary shares based on issued share capital at the end of the period reported on ('000)	666,851	666,851

Note:

(1)Based on total equity less perpetual capital securities.

8. A review of performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on:

Review of Performance

3Q2015 vs 3Q2014

Revenue

The Group achieved revenue of RMB573.2 million for the quarter ended 30 September 2015 ("3Q2015"), an increase of 115% or RMB307.1 million over the same period in 2014. This was primarily due to the increase in the average gross floor area ("GFA") of property units handed over. The aggregate GFA recognised increased by approximately 156% or 66,770 square metres ("sqm"), from 42,728 sqm for the quarter ended 30 September 2014 ("3Q2014") to 109,498 sqm in 3Q2015.

The Group has also experienced encouraging increase in its pre-sales activities for 3Q2015. The Group achieved pre-sales GFA of approximately 77,475 sqm with an aggregate consideration of approximately RMB903.8 million for the development properties projects in the People's Republic of China ("PRC") during 3Q2015. This represents an increase of 44% in aggregate consideration, or RMB275.7 million from RMB628.1 million, as well as an increase of 4% in GFA, or 2,891 sqm, as compared to 3Q2014. The Group also saw an increase in the average selling price ("ASP") of its completed properties as a whole, of approximately RMB3,244 per sqm. The increase was mainly

due to the pre-sales of Suzhou Royal Palace and Suzhou Industrial Park Royal Mansion in 3Q2015, which are situated in good locations and therefore, able to command higher ASP.

The Group has also started to launch its pre-sales activities for three of its property development projects in Australia. During 3Q2015, 32 units from these property development projects – Vivir, Illumina and Uptown, have been pre-sold with an aggregate consideration of AUD20.1million.

Note:

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 is classified as current liabilities. Please refer to the circular dated 10 June 2014 for more details on, amongst others, the policies and risks on the Company's pre-sales activities, as well as significant factors affecting the Company's results of operations.

Cost of sales and gross profit margin

In tandem with the increase in revenue, the Group's cost of sales, which comprises mainly land acquisition costs, construction costs, capitalised borrowing costs, and indirect costs attributable to the development properties, increased by 154% or RMB315.1 million from RMB204.0 million in 3Q2014 to RMB519.1 million in 3Q2015.

Gross profit decreased by 13% or RMB8.0 million, from RMB62.1 million in 3Q2014 to RMB54.1 million in 3Q2015. Overall gross profit margin declined from 23.3% in 3Q2014 to 9.4% in 3Q2015. This was due mainly to a greater revenue contribution from the commercial units of Wuxi Jun Mansion and Xuancheng Chiway Top Town recognised in 3Q2014, which had a higher gross profit margin.

Other income

Other income, which mainly include gain on disposal of financial assets available-for-sale, and gain on disposal of property, plant and equipment, decreased by 97% or RMB38.7 million from RMB40.0 million in 3Q2014 to RMB1.3 million in 3Q2015. Other income for 3Q2014 comprised mainly of the gain on disposal of joint ventures as a result of the Group obtaining full control over the joint venture entities, namely Shanghai Real Estate and Xuzhou Chiway, pursuant to the repurchase of 100% of Shanghai Lvwen and Shanghai Real Estate in August 2014.

Selling and distribution expenses

Selling and distribution expenses comprised primarily advertising and promotion expenses, sales commissions, sales offices rental expenses and maintenance costs. These expenses increased by 48% or RMB6.9 million from RMB14.2 million in 3Q2014 to RMB21.1 million in 3Q2015, due mainly to the increase in expenditure on sales and marketing activities for pre-sale launches of new phases of development projects such as Suzhou Royal Palace and Suzhou Industrial Park Royal Mansion.

Administrative expenses

Administrative expenses comprised salaries and staff related expenses for general administrative staff, utilities expenses, telecommunication expenses, entertainment expenses, professional fees, travelling expenses and other general overheads expenses. Administrative expenses increased marginally by RMB44,000 from RMB20.25 million in 3Q2014 to RMB20.3 million in 3Q2015.

Other expenses

The other expenses were RMB5.9 million mainly including foreign exchange loss of RMB5.4 million in 3Q2015, while the amount of RMB105.6 million incurred for 3Q2014 mainly comprised (1) the professional fees paid in shares (being the arranger shares of 16,500,000 shares) to Grandale Enterprises Limited, amounting to RMB41.6 million, for consultancy services provided in connection with the RTO listing exercise pursuant to the Grandale Consultancy Agreement dated 13 September 2012, (2) loss on disposal of R H Energy Ltd.'s subsidiaries amounting to RMB 12.9 million in September 2014 subsequent to the completion of the RTO, and (3) RTO costs arising from the reverse acquisition exercise of RMB 51.1 million.

Net finance costs

Net finance costs were RMB7.5 million in 3Q2015, compared to RMB2.1 million in 3Q2014. This was mainly due to an increase in finance costs that could not be capitalised in development projects during the current quarter.

Share of results of joint ventures, net of tax

Share of results of joint ventures, net of tax, was a loss of RMB1.8 million in 3Q2015, as compared to a loss of RMB6.8 million in 3Q2014. The share of loss in 3Q2015 was mainly from Suzhou Gaoxin, while the share of loss in 3Q2014 was mainly from Shanghai Real Estate Group and Xuzhou Chiway, which were accounted as investments in joint ventures prior to the Group obtaining full control of Shanghai Real Estate Group and Xuzhou Chiway in August 2014.

Income tax expense

Income tax expense, which included enterprise income tax and land appreciation tax ("LAT") decreased by RMB11.4 million or 68% from of RMB16.7 million in 3Q2014 to RMB5.3 million in 3Q2015. The Group's income tax expense decreased mainly due to over-provision of LAT expense in respect of prior years after various projects' tax filing.

Loss for the period

As a result of the foregoing, the Group reported a loss after tax of RMB6.4 million in 3Q2015, a decrease of 90% or RMB57.2 million, from a loss after tax of RMB63.6 million in 3Q2014.

9M2015 vs 9M2014

Revenue

The Group achieved total revenue of RMB1,405.5 million in 9M2015, an increase of 11% or RMB138.8 million over the same period in 2014. This was primarily due to the increase in the ASP of property units handed over to customers of approximately 31% or RMB1,672 per sqm, although the number of property units handed over decreased. The aggregate GFA sold and recognised decreased by approximately 15% or 35,783 sqm, from 233,875 sqm in 9M2014 to 198,092 sqm for 9M2015.

The Group experienced encouraging increase in its pre-sales activities for 9M2015. The Group achieved pre-sales GFA of approximately 263,353 sqm with an aggregate consideration of approximately RMB2,875.8 million for the PRC market during 9M2015. This represents an increase of 99.7% in aggregate consideration, or RMB1,435.7 million from RMB1,440.1 million, as well as an increase of 40% in GFA, or 74,720 sqm, as compared to 9M2014. The Group also saw an increase in the ASP of approximately RMB3,286 per sqm. The increase was mainly due to the launch and pre-sales of Suzhou Royal Palace and Suzhou Industrial Park Royal Mansion in 2015, which are situated in good locations and commanded higher ASP.

The Group has also started to launch its pre-sales activities for three of its development projects in Australia. During 9M2015, 214 units from these property development projects –Vivir, Illumina and Uptown have been pre-sold with an aggregate consideration of AUD142.7 million.

Note:

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 is classified as current liabilities. Please refer to the circular dated 10 June 2014 for more details on, amongst others, the policies and risks on the Company's pre-sales activities, as well as significant factors affecting the Company's results of operations.

Cost of sales and gross profit margin

In tandem with the increase in revenue, the Group's cost of sales increased by 17% or RMB187.6 million from RMB1,118.8 million in 9M2014 to RMB1,306.4 million in 9M2015.

Gross profit decreased by 33% or RMB48.9 million, from RMB147.9 million in 9M2014 to RMB99.0 million in 9M2015. Overall gross profit margin declined marginally from 11.7% in 9M2014 to 7.0% in 9M2015. This was due mainly to greater revenue contribution from the Zhangjiagang Royal Palace project, which had a lower gross profit margin. Zhangjiagang Royal Palace accounted for 26% of GFA and 48% of revenue recognised in 9M2015.

Other income

Other income decreased by 94% or RMB38.4 million from RMB40.8 million in 9M2014 to RMB2.4 million in 9M2015. Other income for 9M2014 consisted mainly of the gain on disposal of joint ventures as a result of the Group obtaining full control over the joint venture entities, namely Shanghai Real Estate and Xuzhou Chiway, pursuant to the repurchase of 100% of Shanghai Lvwen and Shanghai Real Estate in August 2014.

Selling and distribution expenses

Selling and distribution expenses increased by 39% or RMB15.5 million from RMB39.5 million in 9M2014 to RMB55.0 million in 9M2015. This was due mainly to the increase in expenditure on sales and marketing for pre-sale launches of new phases of development projects such as Suzhou Royal Palace and Suzhou Industrial Park Royal Mansion.

Administrative expenses

The increase in administrative expenses by 50% or RMB27.3 million from RMB54.7 million in 9M2014 to RMB82.0 million in 9M2015, was mainly attributed to higher staff costs and other related expenses on the back of the increase in business activities for new projects such as Suzhou Industrial Park Royal Mansion and new projects in Australia, as well as higher professional fees and related expenses incurred after the listing.

Other expenses

The other expenses were RMB6.4 million mainly including foreign exchange loss of RMB5.4 million in 9M2015, while the amount of RMB106.1 million incurred for 9M2014 mainly comprised (1) the professional fees paid in shares (being the arranger shares of 16,500,000 shares) to Grandale Enterprises Limited, amounting to RMB41.6 million, for consultancy services provided in connection with the RTO listing exercise pursuant to the Grandale Consultancy Agreement dated 13 September 2012, (2) loss on disposal of R H Energy Ltd.'s subsidiaries amounting to RMB 12.9 million in September 2014 subsequent to the completion of the RTO, and (3) RTO costs arising from the reverse acquisition exercise of RMB 51.1 million.

Net finance costs

Net finance costs were RMB27.2 million in 9M2015, compared to RMB3.8 million in 9M2014. This was mainly due to an increase in finance costs that could not be capitalised in development projects during the current period.

Share of results of joint ventures, net of tax

Share of results of joint ventures, net of tax, was a loss of RMB2.1 million in 9M2015, as compared to a loss of RMB9.6 million in 9M2014. The share of loss in 9M2015 was mainly from Suzhou Gaoxin, while the share of loss in 9M2014 was mainly from Shanghai Real Estate Group and Xuzhou Chiway, which were accounted for as investments in joint ventures prior to the Group obtaining full control of Shanghai Real Estate Group and Xuzhou Chiway in August 2014.

Income tax expense

The Group recorded income tax credit, which included enterprise income tax and LAT, of RMB35.9 million in 9M2015, as compared to income tax expense of RMB28.1 million in 9M2014. The income tax credit for the current period was due mainly to higher utilisation of tax losses and recognition of deferred tax assets in the current quarter, and over-provision of LAT expense in respect of prior years after various projects' tax filing.

Loss for the period

As a result of the foregoing, the Group reported a loss after tax of RMB35.6 million in 9M2015, as compared to the loss after tax of RMB53.1 million in 9M2014.

Statement of Financial Position

Non-current assets

Non-current assets comprised property, plant and equipment, investment properties, interest in joint ventures and deferred tax assets. As at 30 September 2015, non-current assets amounted to RMB905.2 million as compared to RMB891.6 million as at 31 December 2014.

The increase in non-current assets of RMB13.6 million was due mainly to an increase in deferred tax assets from RMB51.5 million as at 31 December 2014 to RMB61.3 million as at 30 September 2015, as well as an increase in investment properties of RMB7.8 million due to the costs incurred for investment properties under development.

Current assets

Current assets as at 30 September 2015 and 31 December 2014 amounted to RMB10.8 billion and RMB9.3 billion, respectively. The increase in current assets of RMB1,526.6 million during the financial year was due mainly to:

- (i) increase in development properties of RMB86.6 million due largely to the costs incurred for the Group's development properties;
- (ii) increase in trade receivables, other receivables and advance payments of RMB1,307.3 million, due mainly to the increases in advance payments made to land suppliers amounting to RMB1,097.8 million and prepaid tax amounting to RMB180.6 million, and
- (iii) increase in cash and cash equivalents of RMB391.2 million.

The increase in current assets was partially offset by the decrease in financial assets of RMB258.5 million, which relates mainly to redemption of two short-term (less than a month) financial assets.

Contract work-in-progress refers to a contract that the Group has entered into with the Suzhou Municipal Government to develop an education park, with an approximate land area of 3,500,000 sqm, 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 the local educational authorities. It is not intended for the Group to derive a profit from the development of the education park.

Non-current liabilities

As at 30 September 2015, non-current liabilities were RMB2.78 billion as compared to RMB2.76 billion as at 31 December 2014. The increase in non-current liabilities of RMB19.4 million was due to an increase in loans from financial institutions of RMB20.2 million, partially offset by the decrease in deferred tax liabilities of RMB0.8 million.

Current liabilities

Current liabilities as at 30 September 2015 amounted to RMB7.8 billion as compared to RMB6.3 billion as at 31 December 2014. The increase in current liabilities of RMB1,545.3 million was due mainly to the increase in trade payables, other payables and advance receipts of RMB1,808.5 million. The increase was partially offset by the decrease in short-term loans and borrowings of RMB266.1 million as a result of repayment of the bank loans.

Advance receipts from the government amounted to RMB439.9 million as at 30 September 2015 and 31 December 2014. The amount was provided by the government to fund the contract work-in-progress as aforementioned in the paragraph above titled “Current assets”.

Shareholders' equity

As at 30 September 2015, shareholders' equity was RMB1.08 billion as compared to RMB1.03 billion as at 31 December 2014. Please refer to the section 1(d)(i) for the movement of shareholders' equity as presented in the statement of changes in equity.

Cash flow statement

3Q2015 vs 3Q2014

During 3Q2015, the Group had a net cash outflow from operating activities of RMB77.4 million comprising operating cash inflows before movements in working capital of RMB14.3 million, net working capital outflows of RMB62.9 million and income tax payment of RMB28.8 million. The net working capital outflows were mainly due to the increase in trade receivables, receivables and advance payments of RMB813.8 million, partially offset by an increase in trade payables, other payables and advance receipts of RMB594.2 million and decrease in development properties of RMB156.7 million.

The Group recorded a net cash inflow from investing activities of RMB205.5 million due mainly to the decrease in amounts due from non-controlling interests of RMB160.0 million and disposal of interest in subsidiaries to non-controlling interest without a change in control of RMB44 million during 3Q2015.

The Group recorded a net cash inflow from financing activities of RMB219.3 million during 3Q2015. This was due mainly to the proceeds from borrowings from financial institutions of RMB380.3 million, and an increase in amounts due to non-controlling interests of RMB200.0 million. This was partially offset by the repayment of borrowings from financial institutions amounting to RMB345.0 million and interest paid of RMB95.0 million.

9M2015 vs 9M2014

During 9M2015, the Group had a net cash inflow from operating activities of RMB720.7 million comprising operating cash outflows before movements in working capital of RMB33.1 million, net working capital inflows of RMB839.1 million and income tax payment of RMB85.3 million. The net working capital inflows were mainly due to the increase in trade payables, other payables and advance receipts of RMB1,866.8 million and decrease in development properties of RMB191.4 million, partially offset by increase in trade receivables, receivables and advance payments of RMB1,219.1 million.

The Group recorded a net cash inflow from investing activities of RMB244.7 million due mainly to proceeds of RMB256.9 million from the redemption of financial assets available-for-sale, partially offset by an increase in amounts due from non-controlling shareholders of RMB37.5 million and amounts due from joint ventures of RMB19.6 million.

The Group recorded a net cash outflow from financing activities of RMB565.2 million during 9M2015. This was due mainly to the repayment of borrowings from financial institutions amounting to RMB1,021.0 million and interest paid of RMB314.0 million. This was partially offset by proceeds from borrowings from financial institutions of RMB775.2 million and capital contribution from non-controlling interests of RMB45.0 million.

As at 30 September 2015, the Group had cash and cash equivalents of RMB1.52 billion, as compared to RMB1.13 billion as at 31 December 2014.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, the issuer must explain any variance between the forecast or prospect statement and the actual results.

Not applicable.

10. A commentary at the date of this announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Industry Outlook

China has recently reported its slowest economic growth since 1Q2009, expanded by 6.9% year-on-year in the third quarter of 2015. The People's Bank of China has cut benchmark interest rate and lowered the required reserve ratio for all financial institutions three times this year. The easing of past measures to curtail the real estate sector such as lowering the minimum downpayment and lowering interest rates, resulted in a recovery in buyer's demand and ASP for

residential homes for all the cities in the three tiers in the recent months. The long term demand for development properties is expected to remain stable.

In Australia, the Reserve Bank of Australia maintained its interest rate at a record low of 2.0% amid the slower economic growth. Despite tougher restrictions on foreign buyers of residential properties, the latest NAB Quarterly Australian Residential Property Survey found that foreign buyers continue to increase their presence in established states such as New South Wales, Victoria, and Queensland. Demand (both foreign and local) across major Australian cities is still expected to be healthy, given the relatively low interest rate environment and continued interstate migration.

Group Outlook

The Group is cautiously optimistic on its outlook amid the global economic slowdown, coupled with the continuous growth in the pre-sales activities of its property development projects in both China and Australia. Revenue from these pre-sales activities will be 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.

The Group remains focused on delivering “quality real estate and quality living”, backed by its capabilities in providing a full suite of services ranging from real estate investment and development, township planning, project management, marketing and sales of property developments to building maintenance.

The Group will continue to look out for strategic opportunities to strengthen its presence in both China and Australia.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Nil

(b) Corresponding Period of the immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Nil

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared or recommended.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have any existing general mandate from shareholders for IPTs pursuant to Rule 920(1)(a)(ii) of the Listing Manual.

14. Update on use of proceeds

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

Use of proceeds	Allocated (S\$)	Utilised (S\$)	Balance (S\$)
Merger and acquisition, joint ventures and strategic alliances	2.5 million	2.5 million ⁽¹⁾	-
General working capital purposes	0.9 million	0.9 million ⁽²⁾	-

Note:

⁽¹⁾ Relates to the Group's investment in joint venture in Australia.

⁽²⁾ Mainly in relation to the payment of the stamp duty related to the RTO exercise.

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

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

Use of proceeds	Allocated (S\$)	Utilised (S\$)	Balance (S\$)
Proposed Acquisition	20.0 million	20.0 million	-
Professional fees	3.5 million	3.5 million	-
General working capital purposes	12.5 million	12.5 million	-

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

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

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

Use of proceeds	Allocated (S\$)	Utilised (S\$)	Balance (S\$)
Investment in joint venture for the property development projects in Brisbane Australia	11.9 million	11.9 million	-
Investment in other property development projects in Australia, as and when the appropriate opportunities arise	14.8 million	14.8 million ⁽³⁾	-
General working capital	3.0 million	1.2 million	1.8 million

⁽³⁾Include investment in Parramatta and Roseville, Australia.

15. Additional disclosure

As stated in the Circular dated 10 June 2014, additional disclosure in relation to the trust financing arrangements of the Group are as follows:

- (a) the aggregate trust financing obligations in the same format as presented in Section 2.9.8 entitled “Capitalisation and Indebtedness” of the Circular;

RMB'000	As at 30 September 2015	Adjusted as at 30 September 2015 ⁽¹⁾	Adjusted as at 31 October 2015 ⁽¹⁾
Cash and cash equivalents	1,522,487	1,522,487	*
Current Indebtedness			
<u>Secured</u>			
Borrowings (guaranteed)	847,573	847,573	847,573
<u>Unsecured</u>			
Borrowings (non-guaranteed)	113,377	113,377	112,000 ⁽²⁾⁽³⁾
Non-current Indebtedness			
<u>Secured</u>			
Borrowings (guaranteed)	1,343,220	1,643,220 ⁽⁴⁾	1,993,220 ⁽⁴⁾
Borrowings (non-guaranteed)	1,353,099	1,353,099	1,353,099
<u>Unsecured</u>			
Borrowings (guaranteed)	-	285,000 ⁽⁵⁾	485,000 ⁽⁵⁾
Total Indebtedness	3,657,269	4,242,269	4,790,892
Total Shareholders' equity	1,079,648	1,079,648	*
Total Capitalisation and indebtedness	4,736,917	5,321,917	*

* Not applicable for disclosure for the period reported on.

Notes:

- (1) Adjusted to reflect the Group's aggregate indebtedness pursuant to the trust financing arrangements, where certain amounts were accounted for as items other than borrowings in the unaudited consolidated financial statements as at 30 September 2015.
- (2) On 15 October 2015, one of the Company's subsidiaries, Chiwayland Australia Pty Ltd repaid a short bank loan amounted AUD3 million, which equal to RMB13.4 million.
- (3) On 8 October 2015, Zhangjiagang Chiway entered into a loan agreement with Jiangsu Bank, pursuant to which, Jiangsu Bank provided RMB12 million for one year.
- (4) On 25 September 2015, Hongchang Gaoxian, a subsidiary of Jiangsu Shagang Group, and Suzhou Chiway Jinhui entered into loan agreements, pursuant to which, Hongchang Gaoxian provided an aggregate loan of RMB650.0 million to Suzhou Chiway Jinhui for a period of 18 months at an interest rate of 11.0%. The drawdown were RMB300 million at 28 September 2015, and RMB350 million at 20 December 2015.

As at 30 September 2015 and 31 October 2015, RMB300.0 million and RMB650.0 million remained outstanding. The amount due to Hongchang Gaoxian is classified as amount due to non-controlling interests in the unaudited consolidated financial statements.

- (5) On 25 September 2015, Jiangsu Shagang Group and Suzhou Chiway Shangcheng entered into loan agreements, pursuant to which, Jiangsu Shagang Group provided an aggregate loan of RMB785.0 million to Suzhou Chiway Shangcheng for a period of 18 months at an interest rate of 11.0%. The drawdown were RMB285 million at 28 September 2015, RMB200 million at 20 October 2015, and RMB300 million at 7 December 2015.

As at 30 September 2015 and 31 October 2015, RMB285.0 million and RMB485.0 million remained outstanding. The amount due to Jiangsu Shagang Group is classified as amount due to non-controlling interests in the unaudited consolidated financial statements.

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

The Group has entered into three Type 1 trust financing agreements on 25 July 2014, 19 August 2014 and 10 December 2014 respectively. As at 30 September 2015 and 31 October 2015, RMB550.0 million remained outstanding.

RMB'000	Adjusted as at 30 September 2015	Adjusted as at 31 October 2015
Total trust financing indebtedness	550,000	550,000
Total Indebtedness	4,242,269	4,790,892
Trust financing as a percentage of total Indebtedness	12.96%	11.48%

- (c) the progress of the Group in reducing the amount of its trust financing as a percentage of its total indebtedness to less than 20.0% within 12 months from the Completion Date;

Not applicable. The trust financing as a percentage of its total indebtedness is less than 20% as at 30 September 2015 and 31 October 2015.

- (d) diagrammatic illustrations of the structure of the Group's trust financing arrangements;

There is no outstanding Type 2 trust financing arrangement as at the date of this announcement. Please refer to the Company's circular dated 10 June 2014 for details of the two (2) Type 2 trust financing arrangements which were fully repaid as at the date of this announcement.

- (e) the relevant exit mechanisms for the Group's trust financing arrangements;

There is no outstanding Type 2 trust financing arrangement as at the date of this announcement. The details of the exit mechanism for the two (2) Type 2 trust financing agreements entered into by the Group (which were fully repaid as at the date of this announcement) are set out on Page A-213, A-214 and A- 220 of the Company's circular dated 10 June 2014.

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

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

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

Not applicable.

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

Not applicable.

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

Not applicable.

BY ORDER OF THE BOARD

Confirmation by the Board

We, the undersigned, being Director of Chiwayland International Limited, do hereby confirm, on behalf of the Board of Directors of Chiwayland International Limited that, to the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the results for the third quarter and nine months ended 30 September 2015 of Chiwayland International Limited and its subsidiaries, to be false or misleading in any material respect.

On behalf of the Board of Directors

Qian Jianrong
Executive Chairman

Tian Honglei
Executive Director

13 November 2015

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