

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

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

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

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.

	GROUP			GROUP		
	3Q2016	3Q2015	%	9M2016	9M2015	%
	RMB'000	RMB'000	Change + / (-)	RMB'000	RMB'000	Change + / (-)
Revenue	118,072	573,247	(79%)	1,335,072	1,405,451	(5%)
Cost of sales	(74,235)	(519,116)	(86%)	(1,187,545)	(1,306,440)	(9%)
Gross profit	43,837	54,131	(19%)	147,527	99,011	49%
Other income	585	1,255	(53%)	4,064	2,435	67%
Selling and distribution expenses	(36,993)	(21,059)	76%	(84,490)	(55,009)	54%
Administrative expenses	(26,402)	(20,298)	30%	(99,529)	(82,036)	21%
Other operating expenses	(7,723)	(5,858)	32%	(8,375)	(6,448)	30%
Results from operating activities	(26,696)	8,171	n.m.	(40,803)	(42,047)	(3%)
Net finance costs	(20,255)	(7,520)	169%	(46,335)	(27,249)	70%
Share of results of joint ventures, net of tax	(917)	(1,761)	(48%)	6,182	(2,125)	n.m.
Loss before income tax	(47,868)	(1,110)	4,212%	(80,956)	(71,421)	13%
Income tax (expense)/credit	(8,707)	(5,275)	65%	(33,245)	35,850	n.m.
Loss for the period	(56,575)	(6,385)	786%	(114,201)	(35,571)	221%
Loss attributable to:						
Owners of the Company	(53,338)	(188)	28,271%	(107,466)	(21,354)	403%
Non-controlling interests	(3,237)	(6,197)	(48%)	(6,735)	(14,217)	(53%)
Loss for the period	(56,575)	(6,385)	786%	(114,201)	(35,571)	221%

Note:

n.m : denotes not meaningful.

(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.

	GROUP			GROUP		
	3Q2016	3Q2015	%	9M2016	9M2015	%
	RMB'000	RMB'000	Change + / (-)	RMB'000	RMB'000	Change + / (-)
Loss for the period	(56,575)	(6,385)	786%	(114,201)	(35,571)	221%
Other comprehensive (loss)/income						
<i>Items that are or maybe reclassified subsequently to profit or loss:</i>						
Foreign currency translation differences on foreign operations/Total other comprehensive (loss)/income for the period	(671)	(4,430)	(85%)	17,342	(8,183)	n.m.
Total comprehensive loss for the period	(57,246)	(10,815)	429%	(96,859)	(43,754)	121%
Total comprehensive loss attributable to:						
Owners of the Company	(53,990)	(4,618)	1,069%	(90,088)	(29,537)	205%
Non-controlling interests	(3,256)	(6,197)	(47%)	(6,771)	(14,217)	(52%)
Total comprehensive loss for the period	(57,246)	(10,815)	429%	(96,859)	(43,754)	121%

Note:

n.m: denotes not meaningful.

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

Loss before income tax is stated after charging/ (crediting):

	Group		Group	
	3Q2016	3Q2015	9M2016	9M2015
	RMB'000	RMB'000	RMB'000	RMB'000
Depreciation of property, plant and equipment	490	543	1,542	1,948
Finance income	(11,403)	(3,403)	(18,172)	(8,738)
Finance cost	31,658	10,923	64,507	35,987
Foreign exchange loss	4,825	5,848	3,568	5,361
Allowance for impairment loss on financial assets	-	-	-	2,250
Gain on disposal of financial assets available-for-sale	-	(224)	(956)	(589)
Gain on disposal of interests in joint ventures	-	-	(943)	-
Loss/(Gain) on disposal of property, plant and equipment	6	2	(15)	(33)
Under/(Over) provision of tax in respect of prior years	847	(9,088)	(1,464)	(41,724)

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-Sep-2016	31-Dec-2015	30-Sep -2016	31-Dec -2015
	RMB'000	RMB'000	RMB'000	RMB'000
Assets				
Property, plant and equipment	5,111	5,714	-	3
Investment properties	1,164,677	993,200	-	-
Subsidiaries	-	-	1,468,801	1,378,109
Joint ventures	37,675	15,062	-	-
Deferred tax assets	60,244	42,961	-	-
Non-current assets	1,267,707	1,056,937	1,468,801	1,378,112
Development properties	7,990,851	5,597,862	-	-
Contract work-in-progress	404,085	382,998	-	-
Financial assets	-	250,000	-	-
Trade receivables, other receivables and advance payments	3,353,666	2,664,697	205,355	195,028
Cash and cash equivalents	1,773,410	1,203,532	704	300
Current assets	13,522,012	10,099,089	206,059	195,328
Total assets	14,789,719	11,156,026	1,674,860	1,573,440
Equity				
Share capital	298,577	298,577	1,582,272	1,582,272
Reserves	126,542	216,630	(51,957)	(153,254)
Equity attributable to owners of the Company	425,119	515,207	1,530,315	1,429,018
Other equity instruments	214,695	214,695	143,781	143,781
	639,814	729,902	1,674,096	1,572,799
Non-controlling interests	516,912	516,317	-	-
Total equity	1,156,726	1,246,219	1,674,096	1,572,799
Liabilities				
Loans and borrowings	4,766,310	3,144,601	-	-
Deferred tax liabilities	123,565	121,440	-	-
Non-current liabilities	4,889,875	3,266,041	-	-
Loans and borrowings	2,100,259	1,075,260	-	-
Trade payables, other payables and advance receipts	6,165,983	5,078,377	764	641
Advance receipts from government	439,853	439,853	-	-
Tax payable	37,023	50,276	-	-
Current liabilities	8,743,118	6,643,766	764	641
Total liabilities	13,632,993	9,909,807	764	641
Total equity and liabilities	14,789,719	11,156,026	1,674,860	1,573,440

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 2016		As at 31 December 2015	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
1,279,489	820,770	958,260	117,000

Amount repayable after one year

As at 30 September 2016		As at 31 December 2015	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
4,606,945	159,365	3,144,601	-

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 RMB8,295,748,797 (as at 31 December 2015: RMB4,877,602,000);
- (ii) 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;
 - Suzhou Chiway Shangcheng's 100% equity interests in Suzhou Shanghong; and
 - Suzhou Chiway Shangcheng's 100% equity interests in Suzhou Hengtang.
- (iii) 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
- (iv) 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 2016	3Q 2015	9M 2016	9M 2015
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from operating activities				
Loss for the period	(56,575)	(6,385)	(114,201)	(35,571)
Adjustments for:				
Depreciation of property, plant and equipment	490	543	1,542	1,948
Gain on disposal of financial assets available-for-sale	-	(224)	(956)	(589)
Loss/(Gain) on disposal of property, plant and equipment	6	2	(15)	(33)
Allowance for impairment loss on financial assets	-	-	-	2,250
Net finance costs	20,255	7,520	46,335	27,249
Share of results of joint ventures, net of tax	917	1,761	(6,182)	2,125
Gain on disposal of joint venture	-	-	(943)	-
Foreign exchange loss	4,825	5,848	3,568	5,361
Income tax expense/(credit)	8,707	5,275	33,245	(35,850)
	(21,375)	14,340	(37,607)	(33,110)
Changes in:				
- Development properties	(131,303)	156,658	(2,130,308)	191,379
- Trade receivables, other receivables and advance payments	(2,117,028)	(813,758)	(685,796)	(1,219,125)
- Trade payables, other payables and advance receipts	605,711	594,179	1,190,033	1,866,845
- Contract work-in-progress	(14,579)	-	(21,087)	-
Cash (used in)/generated from operations	(1,678,574)	(48,581)	(1,684,765)	805,989
Income tax paid	(20,369)	(28,831)	(82,046)	(85,264)
Net cash (used in)/from operating activities	(1,698,943)	(77,412)	(1,766,811)	720,725
Cash flows from investing activities				
Acquisition of financial assets held for trading	-	-	(1,500)	-
Acquisition of property, plant and equipment	(847)	(47)	(970)	(297)
Investments in joint venture	(33,281)	-	(33,281)	-
Proceeds from disposal of joint venture	-	-	15,733	-
Dividends from joint ventures	-	-	2,059	-
Decrease/(Increase) in amounts due from related corporations, non-trade	1,360	(2,045)	6,122	222
Decrease/(Increase) in amounts due from non-controlling interests, non-trade	-	160,000	33,500	(37,500)
Decrease/(Increase) in amounts due from joint ventures, non-trade	19,966	(6,265)	(10,571)	(19,642)
Development expenditure on investment properties	(154,368)	-	(171,477)	(7,752)
Interest received	11,403	3,403	18,172	8,738
Proceeds from disposal of property, plant and equipment	-	-	46	89

	Group		Group	
	3Q 2016	3Q 2015	9M 2016	9M 2015
	RMB'000	RMB'000	RMB'000	RMB'000
Proceeds from redemption of financial assets available-for-sale	-	6,455	252,456	256,858
Net cash (used in)/from investing activities	(155,767)	161,501	110,289	200,716
Cash flows from financing activities				
Disposal of interest in subsidiaries to non-controlling interest without a change in control	-	44,000	-	44,000
Capital contribution from non-controlling interests	38,366	-	40,866	45,000
Capital reduction in respect of non-controlling shareholders	(17,500)	-	(17,500)	-
Dividends paid to non-controlling shareholders	-	-	(16,000)	-
Interest paid	(109,590)	(94,996)	(328,362)	(314,000)
Decrease/(Increase) in restricted cash	349,439	90,348	(349,504)	7,948
Increase/(Decrease) in amounts due to related corporations (non-trade)	2,722	(39,455)	(2,090)	(57,024)
Increase/(Decrease) in amounts due to non-controlling interests (non-trade)	4	200,004	(17,589)	20,011
Decrease in amounts due to joint ventures (non-trade)	-	(53,526)	-	(53,803)
(Decrease)/Increase in bills payable	(128,550)	81,650	(82,750)	32,450
Proceeds of borrowings from financial institutions	1,108,697	380,267	3,805,450	775,204
Repayment of borrowings from financial institutions	(739,902)	(345,000)	(2,249,002)	(1,021,000)
Proceeds of borrowings from non-controlling shareholders	1,702,208	-	2,326,386	-
Repayment of borrowings from non-controlling interests	(440,000)	-	(1,440,000)	-
Proceeds of borrowings from unquoted debt securities	38,073	-	282,654	-
Repayment of borrowings from unquoted debt securities	(70,280)	-	(78,780)	-
Net cash from/(used in) financing activities	1,733,687	263,292	1,873,779	(521,214)
Net (decrease)/increase in cash and cash equivalents	(121,023)	347,381	217,257	400,227
Cash and cash equivalents at the beginning of period	1,327,434	985,176	985,301	933,604
Effect of exchange rate changes on cash held	(737)	208	3,116	(1,066)
Cash and cash equivalents at the end of period	1,205,674	1,332,765	1,205,674	1,332,765
Restricted cash at the end of period	567,736	189,722	567,736	189,722
Cash and cash equivalents in the statement of financial position	1,773,410	1,522,487	1,773,410	1,522,487

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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Foreign currency				Retained earnings	Total ordinary equity	Other equity instruments	Non- controlling		Total equity
	Share capital	Merger reserve	Statutory reserve	translation reserve				Total	interests	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	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 loss for the period										
Loss for the period	-	-	-	-	(107,466)	(107,466)	-	(107,466)	(6,735)	(114,201)
Other comprehensive income										
Foreign currency translation differences on foreign operations	-	-	-	17,378	-	17,378	-	17,378	(36)	17,342
Total other comprehensive income	-	-	-	17,378	-	17,378	-	17,378	(36)	17,342
Total comprehensive income/(loss) for the period	-	-	-	17,378	(107,466)	(90,088)	-	(90,088)	(6,771)	(96,859)
Transactions with owners										
Changes in ownership interests in subsidiaries										
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	40,866	40,866
Capital reduction in respect of non-controlling shareholders	-	-	-	-	-	-	-	-	(17,500)	(17,500)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	23,366	23,366
Distribution to shareholders										
Dividends declared to non-controlling shareholders	-	-	-	-	-	-	-	-	(16,000)	(16,000)
Total distribution to shareholders	-	-	-	-	-	-	-	-	(16,000)	(16,000)
Total transactions with owners	-	-	-	-	-	-	-	-	7,366	7,366
At 30 September 2016	298,577	(44,710)	113,767	(100,549)	158,034	425,119	214,695	639,814	516,912	1,156,726

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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group										
	Share	Merger	Statutory	Foreign	Retained	Total	Other equity	Total	Non-	Total
	capital	reserve	reserve	currency		ordinary			controlling	
	RMB'000	RMB'000	RMB'000	translation	earnings	equity	instruments	RMB'000	RMB'000	RMB'000
	RMB'000	RMB'000	RMB'000	reserve	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	-	-	-	(8,183)	-	(8,183)	-	(8,183)	-	(8,183)
Total other comprehensive loss	-	-	-	(8,183)	-	(8,183)	-	(8,183)	-	(8,183)
Total comprehensive income/(loss) for the period	-	-	-	(8,183)	(21,354)	(29,537)	-	(29,537)	(14,217)	(43,754)
Transactions with owners										
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 capitalization 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	Warrants reserve RMB'000	Foreign currency translation reserve RMB'000	Retained earnings RMB'000	Total ordinary equity RMB'000	Other equity instruments RMB'000	Total equity RMB'000
At 1 January 2016	1,582,272	6,094	(120,949)	(38,399)	1,429,018	143,781	1,572,799
Total comprehensive loss for the period							
Loss and total comprehensive loss for the period	-	-	-	(2,168)	(2,168)	-	(2,168)
Other comprehensive income							
Foreign currency translation differences	-	-	103,465	-	103,465	-	103,465
Total other comprehensive income	-	-	103,465	-	103,465	-	103,465
Total comprehensive income/(loss) for the period	-	-	103,465	(2,168)	101,297	-	101,297
At 30 September 2016	1,582,272	6,094	(17,484)	(40,567)	1,530,315	143,781	1,674,096

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

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 3Q2016. The share capital of the Company as at 30 September 2016 was RMB1,582,272,000 comprising 666,851,006 shares.

The Company did not have treasury shares as at 30 September 2016 and 30 September 2015.

The Company had 47,488,212 warrants as at 30 September 2016 and 30 September 2015.

Perpetual capital securities of S\$30 million (RMB143.51 million) was issued to a non-controlling shareholder on 17 October 2014. There were no new perpetual capital securities issued by the Company as at 30 September 2016.

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 2016	31 December 2015
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 financial statement for the financial period ended 30

September 2016 as those used in the audited consolidated financial statements of Chiwayland International Limited and its subsidiaries for the financial year ended 31 December 2015.

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 2016. 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 3Q2016 and 9M2016 are computed based on weighted average number of ordinary shares outstanding in the period. The diluted earnings per share are the same as the basic earnings per share as the outstanding warrants are anti-dilutive.

	Group 3Q 2016	Group 3Q 2015	Group 9M2016	Group 9M2015
Loss for the period attributable to owners of the Company (RMB ‘000)	(58,760) ⁽¹⁾	(3,272) ⁽¹⁾	(123,731) ⁽¹⁾	(30,607) ⁽¹⁾
Weighted average number of ordinary shares in issue	571,875,362	571,875,362	571,875,362	571,875,362
Earnings per ordinary share of the Group				
(i) Basic (RMB cents)	(10.27)	(0.57)	(21.64)	(5.35)
(ii) Diluted (RMB cents)	(10.27)	(0.57)	(21.64)	(5.35)

Note:

- (1) Net loss for the period attributable to owners of the Company for the purpose of computing EPS is net of 1) the dividends payable on the perpetual capital securities amounting RMB3.22 million, and RMB9.69 million for 3Q2016 and 9M2016, respectively; and RMB3.08 million, and RMB9.25 million for 3Q2015 and 9M2015, respectively; 2) the dividends payable on redeemable preference shares by a subsidiary to non-controlling interests amounting to RMB2.19 million, and RMB 6.58 million for 3Q2016 and 9M2016, respectively, and nil for 3Q2015 and 9M2015.

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 September 2016	Group 31 Dec 2015
Net asset value per ordinary share of the Group ⁽¹⁾		
(RMB cents)	141.3	154.7
Number of ordinary shares based on issued share capital at the end of the period reported on ('000)	666,851	666,851

	Company 30 September 2016	Company 31 Dec 2015
Net asset value per ordinary share of the Company ⁽¹⁾		
(RMB cents)	229.5	214.3
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 other equity instruments.

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

3Q2016 vs 3Q2015

Revenue

The Group achieved revenue of RMB118.1 million for the quarter ended 30 September 2016 ("3Q2016"), a decrease of 79% or RMB455.2 million from RMB573.2 million in the corresponding period in 2015. This is primarily due to a decrease in the number of property units handed over to customers as there was no project completion. Units sold were from inventory of existing completed projects. As a result, the aggregate Gross Floor Area ("GFA") sold and recognised decreased by approximately 89.3% or 97,760 square metres ("sqm"), from 109,498 sqm for the quarter ended 30 September 2015 ("3Q2015") to 11,738 sqm for 3Q2016. Revenue for the projects sold and recognised was mainly attributable to Suzhou Royal Palace and Suzhou Hetai Garden, which contributed RMB42.7 million and RMB38.3 million, respectively, or approximately 36% and 32% of the total revenue generated for 3Q2016. Although GFA declined, the Group saw an increase in the average selling price ("ASP") of its completed properties as a whole, of approximately RMB3,592 per sqm, from RMB5,168 per sqm in 3Q2015 to RMB8,760 per sqm in 3Q2016. The increase was mainly due to the sales of retail units at Suzhou Royal Palace in 3Q2016,

which is situated in a good location and therefore, able to command higher ASP.

Despite the lower revenue, the Group experienced an encouraging increase in its pre-sales activities for 3Q2016. The Group recorded pre-sales GFA of approximately 105,280 sqm with an aggregate consideration of approximately RMB1,026.4 million for its development properties projects in the People's Republic of China ("PRC") during 3Q2016. This represents an increase of GFA by 36%, or 27,805 sqm from 77,475 sqm, and an increase in aggregate consideration by 14%, or RMB122.6 million from RMB903.8 million, as compared to 3Q2015. In this period, Xuzhou Chiway and Xuancheng Chiwayland which are located in second tier cities, achieved good pre-sales results, representing approximately 24% and 12% of the total consideration respectively. Hence, the ASP of pre-sales decreased from RMB11,666 per sqm in 3Q2015 to RMB9,749 per sqm in 3Q2016.

The Group also continued with its pre-sales activities for four of its property development projects in Australia. During 3Q2016, total of nine units from these property development projects – Illumina and Marine's Hill, were pre-sold and one unit from Vivir was sold with a total aggregate consideration of AUD5.7 million.

Note:

Revenue from property sales 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 (i.e. at pre-sales) 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 decrease in revenue, the Group's cost of sales, which comprises mainly of land acquisition costs, construction costs, capitalised borrowing costs and indirect costs incurred on the development properties sold, decreased by 86% or RMB444.9 million from RMB519.1 million in 3Q2015 to RMB74.2 million in 3Q2016.

Gross profit decreased by 19% or RMB10.3 million, from RMB54.1 million in 3Q2015 to RMB43.8 million in 3Q2016. However, overall gross profit margin increased from 9.4% in 3Q2015 to 37.1% in 3Q2016. This was due mainly to higher profit margin contribution from revenue recognition of retail units in Suzhou Royal Palace which recorded a higher gross profit compared to the projects of last year.

Other income

Other income, which mainly comprised of gain on disposal of financial assets available-for-sale, and gain on disposal of property, plant and equipment, decreased by 53% or RMB0.7 million from RMB1.3 million in 3Q2015 to RMB0.6 million in 3Q2016. The decrease was mainly due to an

absence of default income for breach of contract by customers that was recorded in 3Q2015.

Selling and distribution expenses

Selling and distribution expenses comprised primarily of advertising and promotion expenses, sales commissions, sales offices rental expenses and maintenance costs. Selling and distribution expenses increased by 76% or RMB15.9 million from RMB21.1 million in 3Q2015 to RMB37.0 million in 3Q2016. This was due mainly to the increase in expenditure on new projects' sales and marketing activities.

Administrative expenses

Administrative expenses comprised of salaries and staff related expenses for general administrative staff, utilities expenses, telecommunication expenses, entertainment expenses, professional fees, travelling expenses and other general overheads expenses. The increase in administrative expenses by 30% or RMB6.1 million from RMB20.3 million in 3Q2015 to RMB26.4 million in 3Q2016, was attributable mainly to higher staff costs and other related staff expenses as a result of higher headcount, which was in line with the increase in business activities for new projects.

Other operating expenses

Other operating expenses, which mainly comprised of net foreign exchange loss, and loss on disposal of property, plant and equipment, increased by 32% or RMB1.9 million from RMB5.9 million in 3Q2015 to RMB7.7 million in 3Q2016. The increase was mainly due to net foreign exchange loss of RMB6.2 million.

Net finance costs

Net finance costs were RMB20.3 million in 3Q2016, compared to RMB7.5 million in 3Q2015, an increase of 170% or RMB12.8 million. This was mainly due to finance costs that could not be capitalized in development projects during the current quarter, which includes the interests of loans and unquoted debt securities to the companies that have no projects under construction.

Share of results of joint ventures, net of tax

Share of results of joint ventures, net of tax was a loss of RMB0.9 million in 3Q2016, as compared to loss of RMB1.8 million in 3Q2015. This was attributed to the loss of the Group's Vivir project in Australia, Shengeng Hongye in Wuhan and UCCH in the USA, as compared to a loss from Suzhou Gaoxin in 3Q2015.

Income tax expense

Income tax expense comprises of enterprise income tax and land appreciation tax ("LAT"). The Group incurred a tax expense of RMB8.7 million in 3Q2016, as compared to an income tax expense of RMB5.3 million in 3Q2015. The Group's income tax expense increased mainly due to higher profit margin ratio in the current quarter, and in 3Q2015 there were reversal of overprovision of LAT expense of RMB2.3 million previously recognised on certain development

projects in the PRC.

Loss for the period

As a result of the foregoing, the Group reported a loss after tax of RMB56.6 million in 3Q2016, while the loss for the period in 3Q2015 was RMB6.4 million.

9M2016 vs 9M2015

Revenue

The Group achieved revenue of RMB1,335.1 million for the period ended 30 September 2016 (“9M2016”), a slight decrease of 5% or RMB70.4 million from RMB1,405.5 million in the corresponding period in 2015. This was primarily due to the decrease in the number of property units handed over. As a result, the aggregate Gross Floor Area (“GFA”) sold and recognised decreased by approximately 26% or 51,709 square metres (“sqm”) from 198,092 sqm for the period ended 30 September 2015 (“9M2015”) to 146,383 sqm for 9M2016, while the average selling price (“ASP”) increased by 26% from RMB 7,095 per sqm in 9M2015 to RMB 8,927 per sqm 9M2016. The revenue recognised was mainly attributable to the Suzhou Royal Palace, which contributed RMB807.4 million, or approximately 60% of the total revenue generated for 9M2016. In addition, Suzhou Hetai Garden and Xuancheng Chiway Top Town which contributed RMB193.8 million and RMB167.3 million respectively, or 15% and 13% of the total revenue, respectively. The increase in ASP was mainly due to the sales of Suzhou Royal Palace in 9M2016, which is situated in a good location and therefore, were able to command higher ASP.

The Group also achieved strong pre-sales for 9M2016, with GFA of approximately 293,414 sqm and an aggregate consideration of approximately RMB2,852.7 million for the development properties projects in the People’s Republic of China (“PRC”). This represents an increase of 11% in GFA, or 30,061 sqm from 263,353 sqm, and a decrease of 0.8% in aggregate consideration, or RMB23.1 million from RMB 2,875.8 million, from 9M2015. In this period, Xuzhou Chiway and Xuancheng Chiwayland which are located in second tier cities, achieved good pre-sales results, approximately 19% and 13% of the total consideration. Hence, the ASP of pre-sales decreased from RMB10,920 per sqm in 9M2015 to RMB9,722 per sqm in 9M2016.

The Group also presold four of its property development projects in Australia. During 9M2016, total of 68 units from these property development projects – Illumina, Marine’s Hill and Uptown were pre-sold and 6 units from Vivir were sold with a total aggregate consideration of AUD45.8 million.

Cost of sales and gross profit margin

In tandem with the decrease in revenue, the Group’s cost of sales, which comprises mainly of land acquisition costs, construction costs, capitalized borrowing costs and indirect costs, decreased by 9% or RMB118.9 million from RMB1,306.4 million in 9M2015 to RMB1,187.5 million in 9M2016.

Gross profit increased by 49% or RMB48.5 million, from RMB99.0 million in 9M2015 to RMB147.5 million in 9M2016, due to the increase in gross profit margin. Overall gross profit margin increased from 7.0% in 9M2015 to 11.1% in 9M2016. This was due mainly to higher revenue contribution from the Suzhou Royal Palace project and residential units of Xuancheng

Chiway Top Town, which has a higher gross profit compared to the projects of last year.

Other income

Other income, which mainly comprised gain on disposal of financial assets available-for-sale, and gain on disposal of property, plant and equipment, increased by 67% or RMB1.6 million from RMB2.4 million in 9M2015 to RMB4.1 million in 9M2016. The increase was mainly due to the gain on disposal of financial assets available-for-sale of RMB1.0 million, and the liquidation profit of Suzhou Gaoxin of RMB0.9 million.

Selling and distribution expenses

Selling and distribution expenses comprised of primarily advertising and promotion expenses, sales commissions, sales offices rental expenses and maintenance costs. Selling and distribution expenses increased by 54% or RMB29.5 million from RMB55.0 million in 9M2015 to RMB84.5 million in 9M2016. This was due mainly to the increase in expenditure on sales and marketing activities for new projects.

Administrative expenses

Administrative expenses comprised of salaries and staff related expenses for general administrative staff, utilities expenses, telecommunication expenses, entertainment expenses, professional fees, travelling expenses and other general overheads expenses. The increase in administrative expenses by 21% or RMB17.5 million from RMB82.0 million in 9M2015 to RMB99.5 million in 9M2016, was attributable mainly to higher staff costs and bonus and other related expenses due to higher headcount, which was in line with the increase in business activities for new projects.

Other operating expenses

Other operating expenses which mainly comprised net foreign exchange loss, loss on disposal of property, plant and equipment, and donations, increased by 30% or RMB1.9 million from RMB6.4 million in 9M2015 to RMB8.4 million in 9M2016. The increase was mainly due to net foreign exchange loss of RMB6.2 million, and donation of RMB1.0 million.

Net finance costs

Net finance costs were RMB46.3 million in 9M2016, compared to of RMB27.2 million in 9M2015. This was mainly due to finance costs that could not be capitalised in development projects during the current period, which include the interests of loans and unquoted debt securities to the companies that have no projects under construction.

Share of results of joint ventures, net of tax

Share of results of joint ventures, net of tax was a profit of RMB7.1 million in 9M2016, as compared to loss of RMB2.1 million in 9M2015. This was mainly due to the handover of the Group's Vivir project in Australia, and the losses of Shengeng Hongye in Wuhan and UCCH in the USA, as compared to the operating loss incurred by Suzhou Gaoxin in 9M2015.

Income tax expense

Income tax expense comprises of enterprise income tax and land appreciation tax (“LAT”). The Group incurred a tax expense of RMB33.2 million in 9M2016 as compared to an income tax credit of RMB35.9 million in 9M2015. The Group’s income tax expense increased mainly due to higher profit margin ratio in the current period, and in 9M2015 there were reversal of overprovision of LAT expense of RMB36.7 million previously recognised on certain development projects in the PRC.

Loss for the period

As a result of the foregoing, the Group reported a loss after tax of RMB114.2 million in 9M2016, while the loss for the period in 9M2015 was RMB35.6 million.

Statement of Financial Position

Non-current Assets

Non-current assets comprised of property, plant and equipment, investment properties, interest in joint ventures and deferred tax assets. As at 30 September 2016, non-current assets amounted to RMB1,267.7 million as compared to RMB1,056.9 million as at 31 December 2015.

The increase in non-current assets of RMB210.8 million was due mainly to:

- (i) increase in investment properties of RMB171.5 million due to the costs incurred for investment properties under development;
- (ii) increase in joint ventures of RMB22.6 million from RMB15.1 million as at 31 December 2015 to RMB37.7 million as at 30 September 2016 is mainly due to the newly investment of Shengeng Hongye in Wuhan and UCCH in the USA. The increase is partially offset by liquidation of Suzhou Gaoxin;
- (iii) increase in deferred tax assets of RMB17.3 million from RMB43.0 million as at 31 December 2015 to RMB60.2 million as at 30 September 2016; and
- (iv) partially offset by the decrease in property, plant and equipment of RMB0.6 million.

Current Assets

Current assets increased by RMB3,422.9 million from RMB10,099.1 million as at 31 December 2015 to RMB13,522.0 million as at 30 September 2016 due mainly to:

- (i) increase in development properties of RMB2,393.0 million due largely to the costs incurred for the Group’s development properties;
- (ii) increase in trade receivables, other receivables and advance payments of RMB689.0 million mainly due to advance payments made to suppliers for the development properties; and
- (iii) increase in cash and cash equivalents of RMB569.9 million.

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 construction costs incurred on behalf of the Suzhou Municipal Government. 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 2016, non-current liabilities were RMB4,889.9 million as compared to RMB3,266.0 million as at 31 December 2015. The increase in non-current liabilities of RMB1,623.9 million was due mainly to an increase of RMB1,621.7 million in loans and borrowings to meet the financing demand of new projects.

Current liabilities

Current liabilities as at 30 September 2016 amounted to RMB8,743.1 million as compared to RMB6,643.8 million as at 31 December 2015. The increase in current liabilities of RMB2,099.3 million was mainly due to the increase in trade payables, other payables and advance receipts of RMB1,087.6 million, out of which RMB 721 million can be attributed to the increase in presales receipts. The increase in loans and borrowings of RMB1,025.0 million to meet the financing demand of new projects.

Advance receipts from the government amounted to RMB439.9 million as at 30 September 2016 and 31 December 2015. The amount was provided by the government to fund the contract work-in-progress as aforementioned in the paragraph above entitled “Current assets”.

Total equity

As at 30 September 2016, total equity was RMB1.16 billion as compared to RMB1.25 billion as at 31 December 2015. Please refer to the section 1(d)(i) for the movement of total equity as presented in the statement of changes in equity.

Cash flow statement

3Q2016 vs 3Q2015

During 3Q2016, the Group had a net cash outflow from operating activities of RMB1,698.9 million comprising operating cash outflows before movements in working capital of RMB21.4 million, net working capital outflows of RMB1,657.1 million and income tax payment of RMB20.4 million. The net working capital outflows were mainly due to the increase in trade receivables, receivables and advance payments of RMB2,117.0 million, partially offset by increase in trade payables, other payables and advance receipts of RMB605.7 million.

The Group recorded a net cash outflow from investing activities of RMB155.8 million due mainly to development expenditure on investment properties of RMB154.4 million, investment in joint

ventures of RMB33.3 million, partially offset by a decrease of RMB20.0 million due from joint ventures and interest of RMB11.4 million received.

The Group recorded a net cash inflow from financing activities of RMB1,733.7 million during 3Q2016. This was due mainly to the net proceeds of borrowings of RMB1,598.8 million, and the decrease in restricted cash of RMB349.4 million, partially offset by the decrease in bills payable of RMB128.6 million and interest paid of RMB109.6 million.

Overall, the Group's cash and cash equivalents decreased RMB121.0 million during 3Q2016.

9M2016 vs 9M2015

During 9M2016, the Group had a net cash outflow from operating activities of RMB1,766.8 million comprising operating cash outflows before movements in working capital of RMB37.6 million, net working capital outflows of RMB1,647.2 million and income tax payment of RMB82.0 million. The net working capital inflows were mainly due to the increase in development properties of RMB2,130.3 million, and the increase in trade receivables, other receivables and advance payments of RMB685.8 million, partially offset by an increase in trade payables, other payables and advance receipts of RMB1,190.0 million.

The Group recorded a net cash inflow from investing activities of RMB110.3 million due mainly to the decrease of RMB33.5 million from non-controlling interests, non-trade and proceeds of RMB252.5 million from the redemption of financial assets available-for-sale during 9M2016, partially offset by development expenditure on investment properties of RMB171.5 million.

The Group recorded a net cash inflow from financing activities of RMB1,873.8 million during 9M2016. This was due mainly to the net proceeds of borrowings of RMB2,646.7 million, offset by the increase in restricted cash of RMB349.5 million, and interest paid of RMB328.4 million.

Overall, the Group's cash and cash equivalents increased RMB217.3 million during 9M2016.

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.

No forecast or prospect statement was previously disclosed to shareholders.

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

The Group has made significant headway in its internationalisation strategy and had on 7 November 2016 received shareholders' approval at an Extraordinary General Meeting for its expansion into North America, Western Europe and Asia as well as a name change to "CWG International Ltd". Going forward, the Group expects revenue contribution from overseas projects

to be at least 50% within the next five years and continues to prospect selectively for new projects in its current key markets.

The U.S. residential property market continues to be a bright spot, with property prices on the uptrend driven by a shortage of supply¹ as well as an influx of wealthy Chinese buyers². The Group has submitted plans to increase the current plot ratio of 3 to 6 for its first mixed-development project in Mid-Wilshire, Los Angeles (as announced on 11 July 2016) and expects to receive approval within the next 12 months, similar to the approvals awarded on the several plots nearby. Concurrently, the Group is also actively pursuing a pipeline of U.S. projects.

Despite speculations of a slow-down in the Australian real estate market, Australia home values in the month of September have jumped a strong 0.8% across Australia's five largest capital cities in September, according to CoreLogic. Over the three months to September 30, national dwelling values have also appreciated 2.7%³. The Group's property projects in Australia are on track with the Group set to deliver three of its projects – Uptown, Illumina and Marine's Hill next year. The Group will also launch another project, Stellar by the end of FY2016. The Group also plans to launch its largest project development in Australia, The Peak, with a total GFA of 32,545 sqm, in 1H 2017.

In China, property prices in first and second-tier cities, such as Nanjing, Wuhan, and Suzhou amongst others, are beginning to stabilise after a series of cooling measures⁴. Price increases in such cities are expected to slow down but are unlikely to stop as demand continues to be supported by higher net immigration supported by a dynamic economy⁵. The Group is progressing beyond cities with mature growth to tap on others that continue to yield fair returns and remains sanguine of its prospects in these growth cities. It has acquired five land parcels in both Hubei and Jiangsu provinces in Q3 2016 and plans to launch four new projects in Suzhou, two in Xuzhou, one in Nanjing and one in Xuancheng by the end of FY2016.

The nine projects slated for launch by the end of the year have a total gross floor area of more than 400,000 sqm. The Group also plans to deliver three major projects – Suzhou Industrial Park Royal Mansion (Phase 1) and Suzhou Royal Palace (Phase 3) in Suzhou and Xuancheng Chiway Top Town (Phase 2, District D) in Xuancheng in 4Q2016. These projects are well received by the market, which are all sold well. Upon delivery of the three projects, revenue will be recognized in 4Q16.

In view of the above-mentioned, subject to the projected delivery of the three projects and barring any unforeseen circumstances, the Group expects to be profitable in the financial year ending 31 December 2016 ("FY2016").

¹ "The U.S. housing market in 9 Charts". Wall Street Journal, 23 June 2016

² "Wealthy chinese buyers are a growing force in U.S. real estate markets", The Washington Post, 14 October 2016

³ "The housing market really isn't cooling", Financial Review, 30 September 2016

⁴ "Housing prices begin to stabilise in key cities", China Daily, 22 October 2016

⁵ "China's second cities post big property price gains as two-speed market develops", CNBC. 19 June 2016

The Group continues to actively look out for opportunities to generate higher recurrent income to provide earnings stability. This includes increasing its investment properties and asset management which will provide higher rental and management fees. In particular, the Group will seek to unlock greater shareholder value by leveraging on its strengths in the education field, where it has existing international schools via its sister company and good knowledge of the industry globally.

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. 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 2016	Adjusted as at 30 September 2016	Adjusted as at 31 October 2016
Cash and cash equivalents	1,773,410	1,773,410	

Current Indebtedness

Secured

RMB'000	As at 30 September 2016	Adjusted as at 30 September 2016	Adjusted as at 31 October 2016
Borrowings (guaranteed)	1,226,332	1,226,332	1,137,952 ⁽¹⁾⁽²⁾
Borrowings (non-guaranteed)	53,157	53,157	53,157
<u>Unsecured</u>			
Borrowings(guaranteed)	585,770	585,770	585,770
Borrowings (non-guaranteed)	235,000	235,000	220,000 ⁽³⁾
Non-current Indebtedness			
<u>Secured</u>			
Borrowings (guaranteed)	4,522,945	4,522,945	5,391,651 ⁽⁴⁾⁽⁵⁾⁽⁶⁾
Borrowings(non-guarantee d)	84,000	84,000	84,000
<u>Unsecured</u>			
Borrowings (guaranteed)	159,365	159,365	159,364
Total Indebtedness	6,866,569	6,866,569	7,631,894
Total Shareholders' equity	1,157,041	1,157,041	*
Total Capitalisation and Indebtedness	8,023,610	8,023,610	*

* Not applicable for disclosure for the period reported on.

Notes:

- (1) On 8 October 2016, one of the Company's subsidiaries, Xuancheng Chiwayland repaid RMB 42 million to China Huarong.
- (2) On 10 October 2016 and 27 October 2016, Xuzhou Chiway repaid RMB29.78 million and 16.6 million to Industrial Bank, respectively.
- (3) On 31 October 2016, Zhangjiagang Chiway repaid 15 million to Bank of Jiangsu.
- (4) On 12 October 2016, Suzhou Shangcheng repaid RMB81.29 million to China Construction Bank and Bank of China.
- (5) On 18 October 2016, Xuzhou Chiway and China Huarong entered into a loan agreement, pursuant to which, China Huarong provided an aggregate loan facility of RMB150 million to Xuzhou Chiway for a period of eighteen (18) months at an interest rate of 9%. As at 31 October 2016, RMB150 million remained outstanding.
- (6) On 23 October 2016, Wuhan Chiway and China Bohai Bank entered into a loan agreement, pursuant to which, China Bohai Bank provided an aggregate loan facility of RMB800 million to Wuhan Chiway for a period of two (2) years at an interest rate of 6%. As at 31 October 2016, RMB800 million remained outstanding.

RMB'000	Adjusted as at 30 September 2016	Adjusted as at 31 October 2016
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Total trust financing indebtedness	220,000	220,000
Total Indebtedness	6,866,569	7,631,894
Trust financing as a percentage of total Indebtedness	3.2%	2.9%

- (b) the progress of the Enlarged 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 2016 and 31 October 2016.

- (c) diagrammatic illustrations of the structure of the Enlarged 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.

- (d) the relevant exit mechanisms for the Enlarged 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.

15. Confirmation of undertakings from directors and executive officers pursuant to Rule 720(1) of the listing manual of SGX-ST (the "Listing Manual")

The Company has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.

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 2016 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

Chua Hwee Song
Executive Director

7 November 2016