



CWG International Limited.
(Formerly known as Chiwayland International Limited)
Registration No. 200610437K
(Incorporated in Singapore)

CWG announces 3Q2016 results and inks new dividend policy

- **On track for the delivery of three major property developments with an estimated total gross development value of RMB3.8 billion by 4Q2016**
- **Subject to the scheduled delivery of the three projects, we expect profitability in FY2016**
- **Adoption of new dividend policy, with a payout of S\$0.01/share annually, is part of the Group's long-term strategy to maximise shareholder value**

SINGAPORE, 7 November 2016 – SGX Mainboard-listed **CWG International Ltd**, together with its subsidiaries ("**CWG**" or the "**Group**"), announced today its financial results for the three-month period ended 30 September 2016 ("3Q2016") and the adoption of a new dividend policy to reward shareholders with a base payout of S\$0.01/share annually.

The international property developer reported a 79.0% year-on-year ("yoy") decline in revenue to RMB118.1 million as there were no major projects handover scheduled for 3Q2016. Sale of Gross Floor Area ("GFA") of 11,738 square metres ("sqm") was recognised in 3Q2016, representing an 89.3% yoy decrease. Majority of sales were from the Group's *Suzhou Royal Palace* and *Suzhou Hetai Garden* projects, which contributed approximately 36.0% and 32.0% of the Group's 3Q2016 revenue, respectively. *Suzhou Royal Palace*, situated in a choiced location, commanded a higher Average Selling Price ("ASP") and contributed to a 41.0% increase in the Group's ASP to RMB8,760/sqm. As a result, the Group recorded an improvement in gross profit margin to 37.1% for 3Q2016 (3Q2015: 9.4%).

With nine projects planned for launch by the end of 2016, selling and distribution expenses increased 76.0% yoy to RMB 37.0 million, which led to an overall net loss of RMB 56.6 million. The nine projects, comprising four in Suzhou, two in Xuzhou, one in Nanjing, one in Xuancheng, and one in Sydney, have a total GFA of approximately 400,000 sqm. The launch of the project in Parramatta, Sydney, has been rescheduled to early 2017. Administrative expenses also increased 30.0% yoy to RMB26.4 million for 3Q2016 due to higher headcount, most notably from



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the addition of two CEO-grade management executives to head the Group's Australia and U.S. business units.

Despite the decline in revenue, the Group recorded strong pre-sales for 3Q2016 from its ongoing projects in both China and Australia. Pre-sales GFA for its China projects, which were mainly from *Suzhou Industrial Park Royal Mansion (Phase 2)*, *Suzhou Royal Palace (Phase 3)* and *Xuzhou Royal Palace-Block C (Phase 2)*, increased 36.0% yoy to approximately 105,280 sqm with an aggregate consideration of RMB1.0 billion. In addition, nine units from its three property development projects in Australia – *Illumina*, *Marine's Hill* and *Uptown*, were pre-sold, lifting overall unbooked sales for the Group to RMB7.0 billion.

The Group's total debt increased to RMB6.9 billion as at 30 September 2016 (31 December 2015: RMB4.2 billion) while cash and cash equivalents remained healthy at RMB1.8 billion. The increase in debt is mainly attributed to the Group's land acquisitions in China. Such debt typically stays on the Group's balance sheet for up to nine months before it is discharged by advance receipts collected from the launches of new projects. In 3Q2016, the Group acquired five new land parcels in both Hubei and Jiangsu provinces, contributing to the Group's land bank and positioning it for growth until FY2018.

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

"Our three major projects, *Suzhou Industrial Park Royal Mansion (Phase 1)*, *Suzhou Royal Palace (Phase 3)* and *Xuancheng Chiway Top Town (Phase 2, District D)*, with a total estimated gross development value ("GDV") of RMB3.8 billion, are on track for delivery in 4Q2016. *Suzhou Industrial Park Royal Mansion (Phase 1)* and *Suzhou Royal Palace (Phase 3)* are 99% and 97% sold respectively, while *Xuancheng Chiway Top Town (Phase 2, District)* is 85% sold. These three projects, which are well received, have seen substantial appreciations in their average selling prices. Subject to the projected delivery of the three projects, we are optimistic of a profitable FY2016.



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With the ongoing growth momentum and diversification of our business, we will focus on enhancing the robustness of our capital structure to support the growth of our international businesses and other growth initiatives. As such, we plan to tap into the international capital markets through our base in Singapore, and by further expanding our fund management capabilities.”

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

“Following shareholders’ approval for the geographical expansion of our real estate business at the EGM today, we will push ahead with expanding our international presence. We have a strong pipeline of deals in the U.S. which we are actively reviewing. Property demand and prices in the U.S. have been trending positively, and we are optimistic that this will continue into next year. Meanwhile, we continue to broaden and deepen our foundation in Australia, adding new projects to our existing portfolio, to achieve a long-term target of 10 ongoing projects at any point in time. We will embark on this with the same care and deliberation that have contributed to our success in Australia thus far.

In China, with the latest cooling measures introduced in early October, we are cognizant of the challenges and uncertainties ahead. However, we are confident that the underlying secular demand for properties arising from continuing urbanisation and affluence, in an increasingly mature ‘consumption economy’, will allow us to realise the growth potential which we have positioned ourselves for till 2018.

With this confidence, our Board of Directors recognises the need to reward our shareholders. Apart from the share buyback, we will also adopt a dividend policy with a base payout of S\$0.01/share annually. The policy will be reviewed should we achieve better performance.

We hope shareholders will continue to give us their utmost support as we position the company for growth in the years ahead.”



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ABOUT CWG INTERNATIONAL LIMITED

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

Established in 2002, CWG International Limited together with its subsidiaries (“CWG” or the “Group”), an international property developer providing premier living solutions, was listed on the SGX Mainboard in 2014. The Group’s businesses cover real estate investment and development, township planning and project management.

CWG has a stellar track record in developing quality residential and commercial properties in various geographies that straddles China, Australia and the U.S. Its portfolio, mostly in prime locations, also comprises office buildings and education hubs.

In 2014, the Group embarked on its internationalisation strategy and expanded to Australia. The Group has two projects in Brisbane and five others in Sydney with a focus on residential properties. The Group successfully handed over its first project, Brisbane’s Vivir in 1Q2016.

In 2016, CWG marked its maiden foray into the U.S. with a mixed development project in Los Angeles, California, comprising hotel and residential units. The Group continues to internationalise with planned expansion in North America, Western Europe and Asia. Going forward, the Group has earmarked revenue contribution from overseas projects to be at least 50% within the next five years.

In China, the Group’s properties span across the heart of the Yangtze River Delta Region, including Shanghai, Suzhou and Nanjing. To date, the Group has completed 11 property developments with an aggregate total GFA exceeding 2.0 million square metres, and is ranked as one of the Top 100 Real Estate Development Enterprise.

The Group intends to grow the recurring income segment of its business to be a significant contributor and provide a stable base for its performance over the longer term.

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



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