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GOLDEN WHEEL TIANDI HOLDINGS COMPANY LIMITED
金 輪 天 地 控 股 有 限 公 司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1232)

PRELIMINARY ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2017

FINANCIAL HIGHLIGHTS

- Contracted sales amounted to RMB846.1 million for the six months ended 30 June 2017 (30 June 2016: RMB1,497.0 million).
- Revenue increased by 715.7% to RMB1,050.6 million for the six months ended 30 June 2017 (30 June 2016: RMB128.8 million).
- Rental income increased by 15.6% to RMB79.5 million for the six months ended 30 June 2017 (30 June 2016: RMB68.8 million).
- Gross profit margin for property sales and property leasing for the six months ended 30 June 2017 amounted to 38.2% (30 June 2016: 32.6%) and 75.5% (30 June 2016: 68.6%).
- Profit for the period increased by 172.7% to RMB273.8 million for the six months ended 30 June 2017 (30 June 2016: RMB100.4 million) with earnings per share increasing by 171.4%, to RMB15.2 cents per share for the six months ended 30 June 2017 (30 June 2016: RMB5.6 cents per share).
- Total equity amounted to RMB4,150.9 million as at 30 June 2017 (31 December 2016: RMB3,929.4 million) with net asset value per share amounting to RMB2.30 per share (31 December 2016: RMB2.18 per share). [Note 1]

- As of 30 June 2017, the Group (as defined herein) had total cash and bank deposits of approximately RMB1,430.4 million. Net gearing ratio was 49.3% as at 30 June 2017 (31 December 2016: 26.2%). [Note 2]

- The Board resolved to declare an interim dividend of RMB1.88 cents (equivalent to HKD2.22 cents) per share.

Notes:

1 Net asset value per share is calculated by dividing the total equity by the weighted average number of shares.

2 Net gearing ratio is calculated by dividing the aggregate bank borrowings, senior notes and bonds net of cash and bank balance and structured and restricted bank deposit over the total equity.

The board of directors (the "**Board**") of Golden Wheel Tiandi Holdings Company Limited (the "**Company**") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2017, together with the comparative figures for the corresponding period of 2016, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Six months ended	
		30 June 2017	30 June 2016
		(unaudited)	(unaudited)
	NOTES	***RMB'000***	*RMB'000*
Revenue	*3*	**1,050,618**	128,791
Cost of sales		**(620,043)**	(61,985)
Gross profit		**430,575**	66,806
Other income, expenses, gains and losses	*4*	**109,597**	31,953
Selling and marketing expenses		**(14,669)**	(17,641)
Administrative expenses		**(77,637)**	(59,391)
Finance costs	*5*	**(36,474)**	(40,214)
Share of losses of an associate		**(106)**	–
Share of (losses) profits of joint ventures		**(2,127)**	28,368
Changes in fair value of investment properties	*10*	**89,187**	126,129
Profit before tax	*6*	**498,346**	136,010
Taxation	*7*	**(224,521)**	(35,579)
Profit for the period		**273,825**	100,431

	NOTES	Six months ended 30 June 2017 (unaudited) RMB'000	30 June 2016 (unaudited) RMB'000
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Exchange differences on translating foreign operations		**(7,388)**	–
		(7,388)	–
Profit for the period and attributable to: owners of the Company		**273,825**	100,431
Total comprehensive income attributable to: owners of the Company		**266,437**	100,431
EARNINGS PER SHARE			
Basic *(RMB per share)*	*8*	**0.152**	0.056
Diluted *(RMB per share)*	*8*	**0.152**	0.056

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at	
		30 June	31 December
		2017	2016
		(unaudited)	(audited)
	NOTES	***RMB'000***	*RMB'000*
Non-current assets			
Property, plant and equipment	*10*	**482,479**	75,427
Investment properties	*10*	**5,162,322**	5,028,622
Goodwill		**30,119**	–
Interests in associates		**240,794**	–
Interests in joint ventures		**271,610**	278,600
Deferred tax assets		**61,881**	41,617
Available-for-sale investments		**108,400**	108,400
Restricted bank deposits		**80,000**	–
		6,437,605	5,532,666
Current assets			
Properties under development for sale		**1,558,412**	1,518,783
Completed properties for sale		**593,647**	701,029
Trade and other receivables	*11*	**309,629**	335,189
Prepayments for leasehold land held for development for sale		**457,678**	81,249
Amount due from a joint venture		**56,479**	16,164
Land appreciation tax and income tax prepaid		**45,229**	40,102
Held-for-trading investments		**3,685**	3,697
Available-for-sale investments		**24,068**	14,088
Structured bank deposits		**658,271**	325,911
Restricted bank deposits		**404,526**	678,457
Cash and cash equivalents		**287,575**	791,238
		4,399,199	4,505,907

		As at	
		30 June	31 December
		2017	2016
		(unaudited)	(audited)
	NOTES	***RMB'000***	*RMB'000*
Current liabilities			
Trade and other payables	*12*	**420,670**	418,660
Rental received in advance		**26,951**	38,264
Deposits and prepayments received from pre-sale of properties		**1,236,311**	1,532,996
Land appreciation tax and income tax liabilities		**451,875**	269,780
Bank borrowings – due within one year		**770,813**	872,400
Senior notes – due within one year		**518,785**	918,905
Derivative financial liabilities		**30,693**	51,266
		3,456,098	4,102,271
Net current assets		**943,101**	403,636
Total assets less current liabilities		**7,380,706**	5,936,302
Non-current liabilities			
Bank borrowings – due after one year		**174,153**	175,365
Rental received in advance		**13,244**	12,700
Senior notes – due after one year		**1,995,671**	682,668
Bonds		**18,722**	176,175
Deferred tax liabilities		**1,028,008**	959,976
		3,229,798	2,006,884
Net assets		**4,150,908**	3,929,418
Capital and reserves			
Share capital		**113,099**	113,099
Share premium and reserves		**4,037,809**	3,816,319
Equity attributable to owners of the Company		**4,150,908**	3,929,418
Total equity		**4,150,908**	3,929,418

1. BASIS OF PREPARATION

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("**IAS**") 34 "Interim Financial Reporting" issued by the International Accounting Standards Board ("**IASB**") as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

These unaudited condensed consolidated financial statements are presented in Renminbi ("**RMB**") except as otherwise indicated.

Since the end of last annual reporting period, there has been no significant events or transactions which have had a significant impact on the Group's current interim financial position and performance.

2. PRINCIPAL ACCOUNTING POLICIES

These unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for certain investment properties and financial instruments, which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2017 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2016.

In the current reporting period, the Group has applied, for the first time, certain new or revised International Financial Reporting Standards ("IFRSs") issued by IASB that are mandatorily effective for the current interim period.

The application of the above amendments to IFRSs in the current interim period has had no material effect on the amounts reported in these unaudited condensed consolidated financial statements and/or disclosures set out in these unaudited condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents the gross proceeds from sale of properties and gross rental income received and receivable.

The Group's operating and reportable segments are property development and property leasing (including both lease of self-owned properties and sub-lease of rented properties).

No segment assets and liabilities are presented as they were not regularly provided to the chief operating decision maker for the purpose of resource allocation and performance assessment.

The following is an analysis of the Group's revenue and results by reportable and operating segments:

Segment revenue and results

	Property development	Property leasing	Total
	RMB'000	*RMB'000*	*RMB'000*
For the six months ended 30 June 2017 (unaudited)			
Segment revenue	**971,079**	**79,539**	**1,050,618**
Segment results	**336,534**	**33,764**	**370,298**
Other income, expenses, gains and losses			**109,597**
Finance costs			**(36,474)**
Unallocated corporate expenses			**(32,029)**
Share of losses of associates			**(106)**
Share of losses of joint ventures			**(2,127)**
Changes in fair value of investment properties			**89,187**
Profit before tax			**498,346**
For the six months ended 30 June 2016 (unaudited)			
Segment revenue	59,953	68,838	128,791
Segment results	13,282	15,701	28,983
Other income, expenses, gains and losses			31,953
Finance costs			(40,214)
Unallocated corporate expenses			(39,209)
Share of profits of joint ventures			28,368
Changes in fair value of investment properties			126,129
Profit before tax			136,010

4. OTHER INCOME, EXPENSES, GAINS AND LOSSES

i) Other income

	Six months ended 30 June 2017 (unaudited) *RMB'000*	30 June 2016 (unaudited) *RMB'000*
Interest income from bank deposits	**11,643**	19,556
Interest income from derivative financial assets/liabilities	**1,029**	10,893
Interest income from available-for-sale investments	**7,143**	449
Dividend income from available-for-sale investments	**3,830**	–
Compensation income from early termination of leasing contact	**1,107**	–
Government grant	**1,420**	3,120
Others	**6,489**	6,722
	32,661	40,740

ii) Other gains and losses

	Six months ended 30 June 2017 (unaudited) *RMB'000*	30 June 2016 (unaudited) *RMB'000*
Gain on disposal of property, plant and equipment	**–**	131
Changes in fair value of held-for-trading investments	**(12)**	(2,270)
Realized gain on changes in fair value of derivative financial instruments	**–**	17,069
Unrealized gain on changes in fair value of derivative financial instruments	**20,574**	–
Net foreign exchange gains (losses)	**57,852**	(22,929)
Gain on disposal of a joint venture	**418**	–
	78,832	(7,999)

iii) Other expenses

	Six months ended	
	30 June	30 June
	2017	2016
	(unaudited)	(unaudited)
	RMB'000	*RMB'000*
Others	**(1,896)**	(788)

5. FINANCE COSTS

	Six months ended	
	30 June	30 June
	2017	2016
	(unaudited)	(unaudited)
	RMB'000	*RMB'000*
Interest on bank loans	**17,850**	30,944
Interest on senior notes	**105,404**	69,972
Interest on bonds	**9,432**	14,558
Less: Amount capitalized to properties under development for sale and investment properties under development	**(96,212)**	(75,260)
	36,474	40,214

6. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging (crediting):

	Six months ended	
	30 June	30 June
	2017	2016
	(unaudited)	(unaudited)
	RMB'000	*RMB'000*
Rental income in respect of investment properties	**(59,195)**	(51,769)
Less: Direct operating expenses of investment properties that generated rental income	**4,694**	6,526
	(54,501)	(45,243)
Rental income from sub-lease of rented properties	**(20,344)**	(17,069)
Less: Rental expenses of properties under operating sub-lease	**14,809**	15,068
	(5,535)	(2,001)
Cost of properties sold	**600,540**	40,391
Depreciation of property, plant and equipment	**4,927**	3,570

7. TAXATION

	Six months ended	
	30 June	30 June
	2017	2016
	(unaudited)	(unaudited)
	RMB'000	*RMB'000*
Current tax:		
– PRC enterprise income tax ("**EIT**")	**99,118**	7,350
– Land appreciation tax ("**LAT**")	**115,674**	2,040
– Hong Kong profits tax	**69**	–
	214,861	9,390
Deferred tax	**9,660**	26,189
	224,521	35,579

No provision for taxation has been recognised for companies incorporated in the Cayman Islands and the British Virgin Islands as they are not subject to any tax during both periods.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the six months ended 30 June 2017 and 2016. No provision for Hong Kong Profits Tax had been made for the six months ended 30 June 2016 as the Group does not have assessable profit which arises in, or is derived from Hong Kong.

Under the law of the People's Republic of China (the "**PRC**") on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods.

According to the requirements of the Provisional Regulations of the PRC on Land Appreciation Tax ("LAT")（中華人民共和國土地增值税暫行條例）effective from 1 January 1994 and amended on 8 January 2012, and the Implementation Rules on the Provisional Regulations of the PRC on LAT effective from 27 January 1995 (collectively referred to the "LAT Regulation"), all gains arising from the sale or transfer of real estate in the PRC with effect from 1 January 1994 are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from the sale of properties less deductible expenditures including payments made for acquisition of land use rights, costs and expenses for the development of the land or for construction of new buildings and supporting facilities, or the assessed value for old buildings and structures, tax payable relating to transfer of the real estate and other deductible items prescribed by the Ministry of Finance. Apart from the aforementioned deductions, property developers enjoy an additional deduction, which is equal to 20% of the payment made for acquisition of land use rights and the costs of land development and construction of new buildings or related facilities.

During the current period, the Group estimated and made provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon completion of the property development projects, and the LAT determined by the tax authorities might be different from the basis on which the provision for LAT is calculated. The EIT and LAT liabilities are recorded in the "land appreciation tax and income tax liabilities" of the unaudited condensed consolidated financial statements.

8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended	
	30 June	30 June
	2017	2016
	(unaudited)	(unaudited)
	RMB'000	*RMB'000*
Earnings		
Earnings for the purpose of basic and diluted earnings per share (profit for the period attributable to owners of the Company)	**273,825**	100,431
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	**1,802,456**	1,802,456

The computation of diluted earnings per share does not assume the exercise of the Company's outstanding share options because the exercise price of those options was higher than the average market price for shares for both reporting periods. Accordingly, the diluted earnings per share was same as the basic earnings per share for both periods.

9. DIVIDENDS

During the current interim period, a final dividend of RMB2.5 cents per share in respect of the year ended 31 December 2016, amounting to approximately RMB45,061,000, was declared and paid to the owners of the Company.

Subsequent to the end of the current interim period, the directors of the Company recommended the declaration and payment of an interim dividend of RMB1.88 cents per share, amounting to approximately RMB33,886,000 in aggregate for the six months ended 30 June 2017, which will be paid to the owners of the Company whose names appear in the register of members on 15 September 2017.

Subsequent to the end of the six months ended 30 June 2016, an interim dividend of RMB1.38 cents per share, amounting to approximately RMB24,874,000 in aggregate was paid to the owners of the Company whose names appeared in the register of members on 23 September 2016.

10. PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

The fair values of the Group's investment properties were arrived at on the basis of a valuation carried out at the end of the reporting period by Crowe Horwath (HK) Consulting & Valuation Limited (the "Property Valuer"), who is a firm with independent valuer qualifications. The Group's investment properties have been valued individually, on market value basis. The resulting increase in fair value of investment properties of RMB89,187,000 has been recognized directly in profit or loss and other comprehensive income for the six months ended 30 June 2017 (six months ended 30 June 2016: RMB126,129,000).

During the current interim period, the Group incurred cost of RMB50,528,000 (six months ended 30 June 2016: RMB38,077,000) on investment properties.

During the current interim period, the Group spent RMB14,472,000 (six months ended 30 June 2016: RMB2,219,000) on additions of Computers and office equipment and leasehold improvements in the PRC. In addition, during the current interim period, the Group acquired a subsidiary engaged in hotel operation which resulted in an addition of property, plant and equipment of RMB405,376,000.

11. TRADE AND OTHER RECEIVABLES

	As at	
	30 June 2017 (unaudited)	31 December 2016 (audited)
	RMB'000	*RMB'000*
Trade receivables	**120,299**	95,227
Other receivables	**135,054**	143,656
Receivables from the land administration authority in the PRC in respect of the refund of the prepayment for leasehold land	**33,270**	33,270
Advances to contractors	**2,602**	5,140
Amount due from an associate	**–**	910
Other taxes prepaid	**18,404**	56,986
	309,629	335,189

The following is an aged analysis of trade receivables net of allowance for doubtful debts presented based on the date of delivery of properties/date of rendering of services which approximated the respective dates on which revenue was recognized.

	As at	
	30 June	31 December
	2017	2016
	(unaudited)	(audited)
	RMB'000	*RMB'000*
0 to 30 days	**120,079**	95,020
31 to 60 days	**39**	23
61 to 180 days	**92**	97
181 to 365 days	**4**	87
Over 1 year	**85**	–
	120,299	95,227

12. TRADE AND OTHER PAYABLES

	As at	
	30 June	31 December
	2017	2016
	(unaudited)	(audited)
	RMB'000	*RMB'000*
Trade payables:		
0 to 60 days	**220,888**	286,752
61 to 180 days	**–**	668
181 to 365 days	**71,781**	376
Over 1 year	**30,966**	47,830
	323,635	335,626
Rental deposits received	**33,608**	37,847
Other taxes payable	**16,163**	13,836
Interest payable	**29,735**	16,435
Other payables and accrued expenses	**17,529**	14,916
	97,035	83,034

BUSINESS REVIEW

Property development

Contracted sales

The Group currently has 11 projects on sale. For the six months ended 30 June 2017, the Group achieved total contracted sales of RMB846.1 million, of which RMB308.3 million was contributed by joint venture entities. Due to the price control policy adopted by local authorities, the Group has deliberately slowed down its sales activities in the first half of 2017.

Property sales

For the six months ended 30 June 2017, the Group had one new project, namely Golden Wheel Jinqiao Huafu (plot B), completed and delivered. As at 30 June 2017, an aggregate GFA of approximately 83,099 sq.m. were sold and delivered. The average selling price of these sold properties amounted to approximately RMB11,700 per sq.m.

New land acquired during the first half of 2017 and land bank of the Group

In the first half of 2017, the Group successfully acquired two pieces of land with one in Nanjing and the other one in Wuxi. Total GFA of these two pieces of land amounted to approximately 116,858 sq.m.

As at 30 June 2017, the Group had a total land bank of GFA of 869,881 sq.m. including 91,316 sq.m. of completed but unsold properties, 5,985 sq.m. of own used properties, 136,719 sq.m. of completed investment properties, 524,224 sq.m. of properties under development and 111,637 sq.m. of properties developed by joint-venture entities.

Property Leasing

Rental income arising from the Group's investment properties maintained a stable growth. As at 30 June 2017, the Group had completed investment properties with a total GFA of approximately 136,719 sq.m. The average occupancy rate of the Group's investment properties was close to 90%.

Metro leasing and operational management business

As at 30 June 2017, the Group had leasing and operational management contracts of metro station shopping malls in four cities in mainland China, namely, Nanjing, Suzhou, Wuxi and Changsha with a total leasable GFA of around 70,000 sq.m. As at 30 June 2017, 9 metro station shopping malls were under operation and the overall occupancy rate was around 95%.

Investments

In addition to placing surplus funds as time deposits in banks in Hong Kong and China, the Group had also invested in corporate high yield bonds with good credit ratings as well as listed equity shares and funds. As at 30 June 2017, the Group had bond investments and listed equity share and fund investments amounting to RMB24.1 million. The coupon rates of the bond investments ranged between 4.95% and 8%. These investments facilitate the preservation of the Group's liquidity while enhancing interest yields.

The Group also has a RMB108 million investment in the unlisted equity shares in Xiamen International Bank. This investment is for long term purpose.

Major acquisition

In March 2017, the Group entered into a sale and purchase agreement to acquire a hotel, namely Silka West Kowloon Hotel, in Hong Kong. The acquisition was completed in May 2017. This is the first project of the Group in the overseas market. The hotel is managed by a third party hotel management company with a guaranteed return of not less than 4% under a 6 years hotel management contract.

Financing

In April 2017, the Group successfully issued senior notes in the principal amount of USD200 million bearing a coupon rate of 8.25% per annum and due 2019. These senior notes were issued at a premium with a reopening yield of 7.7%, which was then the lowest effective interest rate ever yielded by any offshore senior note issued by the Company. Proceeds from the senior notes will be used to refinance certain existing indebtedness and working capital purposes.

OUTLOOK

The cooling measures adopted by city authorities since 2016 to curb the overheated housing market had proved to be effective in the first half of 2017. Home transactions continued to decline in 2017 especially in tier 1 and 2 cities. The Group anticipates that China's control policies over real estate will remain effective for a certain period of time and the Group is optimistic that China's property market will remain on track for stable growth.

Starting from the second half of 2016, the Group has been actively participating in public auctions to acquire good quality land that can meet the Group's development strategy. As at 30 June 2017, the Group has already successfully acquired four new projects for property development. Including the new acquisition of Zhuzhou's residential project in July 2017, the Group currently has land bank of over 1,000,000 sq.m. which can enable the Group's stable growth for the next three years.

For our leasing business, a new shopping mall in Wuxi is scheduled to be opened in the second half of 2017. The Group's strategy is to continue building up its investment property portfolio so as to maintain a stable return to its shareholders.

Last but not least, with regards to the Group's hotel operation business, Nanjing Jinlun Yaduo Hotel is scheduled to commence operations in the second half of 2017.

Looking ahead, other than the property development business, the Group will continue to build up our investment properties portfolio. In addition, more resources will be invested into the metro leasing and operational management business and hotel operation business. All these three segments, namely investment properties leasing, metro leasing and operational management and hotel operation and management, will not only enable the Group to generate a stable and sustainable recurring income stream in the future but also diversify its concentration in the PRC property development market.

FINANCIAL REVIEW

Results of operation

Revenue

The Group's revenue consists of revenue derived from (i) sale of the Group's developed properties; and (ii) rental income from property leasing. The following table sets forth a breakdown of the Group's revenue and the percentage of total revenue for the periods indicated:

	For the six months ended			
	30 June 2017 (unaudited)		30 June 2016 (unaudited)	
	RMB'000	*%*	*RMB'000*	*%*
Property development	**971,079**	**92.4**	59,953	46.6
Property leasing	**79,539**	**7.6**	68,838	53.4
Total	**1,050,618**	**100.0**	128,791	100.0

The Group's revenue was primarily generated from its sale of developed properties, which accounted for 92.4% of its revenue for the six months ended 30 June 2017 (six months ended 30 June 2016: 46.6%), and rental income from property leasing, which accounted for 7.6% of its revenue for the six months ended 30 June 2017 (six months ended 30 June 2016: 53.4%). Revenue increased by 715.7% from RMB128.8 million for the six months ended 30 June 2016 to RMB1,050.6 million for the six months ended 30 June 2017, primarily due to the increase in revenue derived from the property development business.

Property development

Revenue derived from the property development business significantly increased 1,518.5% from RMB60.0 million for the six months ended 30 June 2016 to RMB971.1 million for the six months ended 30 June 2017. This increase was primarily due to the increase in the total GFA sold and delivered during the first half of 2017.

Property leasing

Revenue derived from property leasing increased by 15.6% to RMB79.5 million for the six months ended 30 June 2017 (six months ended 30 June 2016: RMB68.8 million). The increase was mainly due to the increase in average rent. The overall occupancy rate remained at around 90%.

Cost of sales

The following table sets forth a breakdown of the Group's cost of sales for the periods indicated:

	For the six months ended			
	30 June 2017 (unaudited)		30 June 2016 (unaudited)	
	RMB'000	*%*	*RMB'000*	*%*
Property development				
– Land acquisition costs	**207,485**	**33.5**	7,449	12.0
– Construction costs	**310,391**	**50.1**	28,074	45.3
– Capitalized finance costs	**59,434**	**9.6**	3,132	5.1
– Tax expenses	**23,230**	**3.7**	1,736	2.8
Subtotal	**600,540**	**96.9**	40,391	65.2
Property leasing *(note)*	**19,503**	**3.1**	21,594	34.8
Total	**620,043**	**100.0**	61,985	100.0

Note: The amount included rental expense of RMB14.8 million (six months ended 30 June 2016: RMB15.1 million) for the metro station shopping malls for the six months ended 30 June 2017.

Cost of sales increased by 900.3% from RMB62.0 million for the six months ended 30 June 2016 to RMB620.0 million in for the six months ended 30 June 2017, primarily due to the increase in the sales of properties.

Gross profit and gross profit margin

Gross profit increased by 544.6% from RMB66.8 million for the six months ended 30 June 2016 to RMB430.6 million for the six months ended 30 June 2017, primarily due to the increase in the sales of properties.

Gross profit margin of the Group decreased from 51.9% for the six months ended 30 June 2016 to 41.0% for the six months ended 30 June 2017, primarily because the proportion of property sales to property leasing has increased substantially in 2017. The gross profit margin of property sales is lower than that of property leasing.

The gross profit margin for property development increased from 32.6% for the six months ended 30 June 2016 to 38.2% for the six months ended 30 June 2017. The increase was mainly due to the increase in average selling price of properties sold as a result of the boom of the property market in China during the period.

The gross profit margin for property leasing increased from 68.6% for the six months ended 30 June 2016 to 75.5% for the six months ended 30 June 2017. The increase was mainly due to the increase of gross profit margin of our new metro station shopping malls as the overall occupancy rate had been increased to 95% as at 30 June 2017.

Changes in fair value of investment properties

The Group's investment properties were revaluated at the end of each of the relevant periods as at 30 June 2017 and as at 30 June 2016 on an open market value or existing use basis by an independent property valuer.

The fair value change of investment properties decreased by 29.3% from RMB126.1 million as at 30 June 2016 to RMB89.2 million as at 30 June 2017.

Other income, expenses, gains and losses

The Group had a net gain of RMB109.6 million for other income, expenses, gains and losses for the six months ended 30 June 2017 (for the six months ended 30 June 2016: RMB32.0 million). The net gain for the six months ended 30 June 2017 mainly consisted of interest income of RMB19.8 million, net foreign exchange gain of RMB57.9 million, unrealized gain on changes in fair value of derivative financial assets/liabilities of RMB20.6 million.

Selling and marketing expenses

Selling and marketing expenses primarily consist of advertising and promotional expenses.

Selling and marketing expenses decreased from RMB17.6 million for the six months ended 30 June 2016 to RMB14.7 million for the six months ended 30 June 2017, mainly due to the decrease in advertising and promotional expenses for the pre-sales activities of projects during the current interim period.

Administrative expenses

Administrative expenses primarily consist of staff salaries and benefits, depreciation and amortization, office expenses, travelling expenses, professional fees, utilities and property tax, land use tax and stamp duty.

Administrative expenses increased from RMB59.4 million for the six months ended 30 June 2016 to RMB77.6 million for the six months ended 30 June 2017, primarily due to the increase of performance bonus paid to directors and senior management.

Finance costs

Finance costs consisted primarily of interest expenses on borrowings net of capital finance costs. Finance costs decreased from RMB40.2 million for the six months ended 30 June 2016 to RMB36.5 million for the six months ended 30 June 2017, primarily because more finance costs were eligible to be capitalized to sales and investment properties under development.

Tax expenses

Tax expenses increased by RMB188.9 million from RMB35.6 million for the six months ended 30 June 2016 to RMB224.5 million for the six months ended 30 June 2017. The significant increase was due to the increase of land appreciation tax during the current interim period.

Profit attributable to owners of the Company

Net profit attributable to owners of the Company was RMB273.8 million, representing an increase of 165.3% from RMB100.4 million for the corresponding period in 2016.

Liquidity, financial and capital resources

Cash position

As at 30 June 2017, the Group's cash and bank balances were RMB1,430.4 million (31 December 2016: RMB1,795.6 million), including restricted cash of RMB484.5 million (31 December 2016: RMB678.5 million) and structured bank deposits of RMB658.3 million (31 December 2016: RMB325.9 million).

Bank and other borrowings

As at 30 June 2017, the Group's bank and other borrowings were RMB3,478.1 million (including senior notes of RMB2,514.5 million and bonds of RMB18.7 million), representing an increase of RMB652.6 million from RMB2,825.5 million as at 31 December 2016 (including senior notes of RMB1,555.1 million and bonds of RMB176.2 million). Of the bank borrowings, RMB770.8 million were repayable within one year, RMB61.6 million were repayable between one and two years and RMB112.6 million were repayable between two and five years. Senior notes of RMB518.8 million were repayable within one year and RMB1,995.7 million were repayable between one and five years. Bonds of RMB18.7 million were repayable in December 2018.

As at 30 June 2017, the Group's bank borrowings of RMB945.0 million were secured by the properties, including land and buildings, investment properties, properties under development for sale and completed properties held for sale, and cash of the Group with a total carrying value of RMB3,815.9 million. The senior notes were secured by the share pledge of a majority of the Group's subsidiaries incorporated outside the PRC.

Except for the senior notes and bonds, the majority of the Group's bank borrowings carried a floating interest rate linked with the base lending rate of the People's Bank of China, London Inter-bank offered rate or Hong Kong Inter-bank offered rate. The Group's interest rate risk is mainly associated with the floating interest rates of its bank borrowings.

Cost of borrowings

For the six months ended 30 June 2017, the Group's total cost of borrowings was RMB132.7 million, representing an increase of RMB17.2 million or 14.9% as compared to the figure in the corresponding period in 2016 which was RMB115.5 million. The increase was primarily due to the higher average debt balance in the period as compared to the same period in 2016. The Group's average costs of borrowings during the six months ended 30 June 2017 and 2016 were approximately 8.05% and 7.91%, respectively.

Gearing ratio

The net gearing ratio was calculated by dividing the total borrowings (net of bank deposits and cash) by the total equity. As at 30 June 2017, the net gearing ratio of the Group was 49.3% (31 December 2016: 26.2%).

Foreign exchange rate risk

The Group operates its businesses mainly in China and a majority of the Group's bank deposits and bank and other borrowings are denominated in Renminbi. Certain bank deposits, bank borrowings, senior notes and bonds are denominated in Hong Kong dollars or US dollars. Fluctuations in foreign currencies' exchange rates have had and will continue to have an impact on the business, financial condition and results of operations of the Group. The Group currently does not have a foreign currency hedging policy but the management monitors foreign exchange exposure closely and will consider hedging significant foreign currency exposure should the need arise.

Contingent liabilities

The Group typically provides guarantees to banks in connection with its customers' mortgage loans to finance their purchase of the Group's properties. The Group's guarantees are released upon the banks receiving the individual property ownership certificate of the respective property from the customers as pledges for security to the mortgage loan granted. If any such customer defaults on the mortgage payment during the terms of the respective guarantee, the banks may demand the Group to repay the outstanding amount of the mortgage loan of such defaulting customer and any accrued interest thereon.

As at 30 June 2017, these mortgage loan guarantees provided by the Group to the banks in favor of its customers amounted to RMB1,477.6 million (31 December 2016: RMB1,101.0 million). In the opinion of the directors, the fair value of the guarantees at initial recognition is insignificant as the default rate is low.

Employees and remuneration policies

As at 30 June 2017, the Group had a total of approximately 506 (30 June 2016: 452) full-time employees in Hong Kong and China. The Group enters into employment contracts with its employees to cover matters such as position, term of employment, wage, employee benefits and liabilities for breaches and grounds for termination. Remuneration of the Group's employees includes basic salaries, allowances, pensions, performance bonuses and share options. Remuneration is determined with reference to the performance, skills, qualifications and experience of the employee concerned and the prevailing industry practice.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained the public float as required by the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") during the period under review.

CORPORATE GOVERNANCE PRACTICES

The Board and management of the Company are committed to maintaining high standards of corporate governance. The Board firmly believes that conducting the Group's business in a transparent and responsible manner and following good corporate governance practices serve its long-term interests and those of shareholders.

During the six months ended 30 June 2017, the Company has complied with the code provisions (the "**Code Provision**") set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Listing Rules and most of the recommended best practices contained therein except for deviation under Code Provision A.6.7 of the CG Code, which provides that independent non-executive directors should attend general meetings and develop a balanced understanding of the view of shareholders. Due to other business commitments, one of the independent non-executive directors of the Company did not attend the annual general meeting of the Company held on 20 May 2017.

The Board will continue to review and monitor the practices of the Company with an aim to maintaining and improving a high standard of corporate governance practices.

AUDIT COMMITTEE

The Company has established an audit committee (the "**Audit Committee**") with specific terms of reference explaining its role and authorities delegated by the Board. The Audit Committee currently consists of three independent non-executive directors, Mr. Li Yiu Fai (Chairman) (appointed on 20 May 2017), Mr. Lie Tak Sen and Mr. Wong Cho Kei, Bonnie (appointed on 1 August 2017), who together have sufficient accounting and financial management expertise and business experience to carry out their duties. Ms. Howe Sau Man retired as the chairwoman of the Committee on 20 May 2017 and Mr. Hui Yan Moon resigned as the member of the Audit Committee on 22 June 2017.

The primary duties of the Audit Committee are to review the Group's financial control, internal control and risk management, review and monitor the integrity of financial statements and to review annual and interim financial statements and report before submission to the Board. The Audit Committee meets with the external auditors and the management of the Group to ensure that the audit findings are addressed properly.

The Audit Committee has reviewed the unaudited interim condensed financial statements for the six months ended 30 June 2017 and discussed with the Company's management regarding risk management, internal control and other important matters.

REMUNERATION COMMITTEE

The Company has established a remuneration committee (the "**Remuneration Committee**") with specific terms of reference which deal clearly with its authorities and duties. The Remuneration Committee currently consists of two independent non-executive directors and an executive director; Mr. Wong Cho Kei, Bonnie (Chairman) (appointed on 1 August 2017), an independent non-executive director, Mr. Wong Kam Fai, an executive director, and Mr. Lie Tak Sen, an independent non-executive director. Mr. Hui Yan Moon resigned as the chairman of the Remuneration Committee on 22 June 2017.

The primary duties of the Remuneration Committee are: to make recommendations to the directors on the Company's policy and structure for all remuneration of the directors and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration; to assess the performance of each executive director; to determine the terms of the specific remuneration package of each executive director and member of senior management; and to review and approve of performance-based remuneration by reference to corporate goals and objectives resolved by directors from time to time.

NOMINATION COMMITTEE

The Company has established a nomination committee (the "**Nomination Committee**") with specific terms of reference explaining its role and authorities delegated by the Board. The Nomination Committee currently consists of two independent non-executive directors and an executive director; Mr. Wong Yam Yin (Chairman), an executive director, Mr. Wong Ying Loi, an independent non-executive director, and Mr. Li Yiu Fai (appointed on 20 May 2017), an independent non-executive director. Ms. Howe Sau Man retired as a member of the Nomination Committee on 20 May 2017.

The primary duties of the Nomination Committee are to: review the structure, size and composition of the Board on a regular basis; to make recommendations to the Board regarding any proposed changes; to identify, select or make recommendations to the Board on the selection of individuals nominated for directorships; to assess the independence of the independent non-executive directors; and to make recommendations to the Board on relevant matters relating to the appointment or reappointment of directors and succession planning for directors.

A director appointed by the Board is subject to election by shareholders at the first annual general meeting after his appointment in case of the appointment of an additional director or at the first general meeting after his appointment in case of filling of casual vacancy.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the model code as set out in Appendix 10 to the Listing Rules (the "**Model Code**") as its code for securities transactions by the directors of the Company. The Company has made specific enquiries with all the directors and all of them have confirmed that they have complied with the required standards set out in the Model Code during the period under review.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

With respect to the senior notes in the principal amount of RMB300,000,000 with a coupon rate of 10.8% per annum, due 2017 (the "**RMB 2017 Notes**"), the Company repurchased and cancelled part of the RMB 2017 Notes in the amounts of RMB65,000,000 and RMB118,000,000 on 9 December 2015 and 1 June 2017 respectively.

With respect to the senior notes in the principal amount of USD100,000,000 with a coupon rate of 9.5% per annum, due 2017 (the "**USD 2017 Notes**"), the Company repurchased and cancelled part of the USD 2017 Notes in the amounts of USD19,100,000, USD 21,200,000 and USD 17,000,000 on 1 June 2017, 4 July 2017 and 25 July 2017 respectively.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2017.

INTERIM DIVIDEND

The Board recommends the declaration and payment of an interim dividend of RMB1.88 cents (equivalent to HKD2.22 cents) per share (the "**Interim Dividend**") for the six months ended 30 June 2017. It is expected that the Interim Dividend will be payable on Wednesday, 27 September 2017 to the shareholders whose names are listed on the register of members of the Company on Friday, 15 September 2017.

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from Thursday, 14 September 2017 to Friday, 15 September 2017, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the Interim Dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 13 September 2017.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is published on the websites of the Stock Exchange at www.hkexnews.hk under "Latest Listed Company Information" and the Company (www.gwtd.com.hk). The interim report of the Group for the six months ended 30 June 2017 containing all the information required by the Listing Rules will be despatched to shareholders of the Company and published on the websites of the Stock Exchange at www.hkexnews.hk under "Latest Listed Company Information" and the Company (www.gwtd.com.hk) in due course.

By Order of the Board
Golden Wheel Tiandi Holdings Company Limited
Wong Yam Yin
Chairman

Hong Kong, 24 August 2017

As at the date of this announcement, the Board comprises: Mr. Wong Yam Yin, Mr. Wong Kam Fai, Mr. Wong Kam Keung, Barry, Mr. Tjie Tjin Fung, and Mr. Janata David as executive directors; Mr. Suwita Janata and Mr. Gunawan Kiky as non-executive directors; and Mr. Wong Ying Loi, Mr. Lie Tak Sen, Mr. Li Yiu Fai and Mr. Wong Cho Kei, Bonnie as independent non-executive directors.