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 2018

FINANCIAL HIGHLIGHTS

- Contracted sales increased by 50.5% to RMB1,273.1 million for the six months ended 30 June 2018 (30 June 2017: RMB846.1 million).
- Revenue decreased by 19.3% to RMB847.6 million for the six months ended 30 June 2018 (30 June 2017: RMB1,050.6 million).
- Rental income and hotel operation income increased by 55.2% to RMB123.4 million for the six months ended 30 June 2018 (30 June 2017: RMB79.5 million).
- Overall gross profit margin increased to 50.1% (30 June 2017: 41.0%).
- Gross profit margin for property sales, property leasing and hotel operation for the six months ended 30 June 2018 amounted to 46.9% (30 June 2017: 38.2%), 74.5% (30 June 2017: 75.5%) and 47.1% (30 June 2017: n/a) respectively.
- Profit for the period decreased by 9.5% to RMB247.9 million for the six months ended 30 June 2018 (30 June 2017: RMB273.8 million).
- Total equity amounted to RMB4,539.7 million as at 30 June 2018 (31 December 2017: RMB4,337.1 million) with net asset value per share amounting to RMB2.52 per share (31 December 2017: RMB2.41 per share). [Note]
- As of 30 June 2018, the Group had total cash and bank deposits of RMB1,356.3 million (31 December 2017: RMB1,159.2 million).
- The Board resolved to declare an interim dividend of HK1.6 cents per share.

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

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 2018, together with the comparative figures for the corresponding period of 2017, as follows:

BUSINESS REVIEW

To maintain the Group's competitive edge as well as ensure its sustainable development, during the period, the Group actively looked for suitable development projects, including joint venture development projects with other reputable developers. In the first half of 2018, the Group acquired 2 residential and commercial projects in China. On the other hand, to further reduce the Group's project geographic concentration risk, in January 2018, the Group signed a preliminary sale and purchase agreement for the acquisition of an overseas company which owns a piece of land for redevelopment in Hong Kong. As at 30 June 2018, the Group had 19 projects under development or on sale, which included 5 projects managed by joint venture and associate entities, with a total land bank of gross floor area ("**GFA**") of 1,578,721 sq.m., increased by 14% when compared to last year end. As a result of years of effort after the Group has been listed, the Group's operation scale has increased, and its contracted sales for the six months ended 30 June 2018 increased significantly by 50.5% when compared to last period. The Group's another strategy is to focus on developing residential and commercial complex projects so as to achieve a higher gross profit margin. This strategy was proven to be a success as the Group's overall gross profit margin increased further from 41.0% for the six months ended 30 June 2017 to 50.1% for the six months ended 30 June 2018. Last, the Group's another focus is to increase its recurring income. The growth of the Group's recurring income from property leasing and hotel operation businesses remained strong during the period and it had achieved a significant increase by 55.2% when compared to last period.

Property development

Contracted sales

The Group currently has 12 projects on sale. For the six months ended 30 June 2018, the Group and its joint ventures and associates achieved total contracted sales value and contracted sales area amounted to approximately RMB1,273.1 million (30 June 2017: RMB846.1 million) and approximately 96,780 sq.m. (30 June 2017: 69,989 sq.m.) respectively.

Property sales

For the six months ended 30 June 2018, the Group's revenue from sale of properties amounted to approximately RMB724.2 million with an aggregate GFA of approximately 49,618 sq.m. being sold and delivered. The average selling price of these sold properties amounted to approximately RMB14,594.6 per sq.m.

Due to the price control policy adopted by the local authorities in the People's Republic of China (the "**PRC**"), the Group has adjusted its sales strategy for its completed projects, especially for the residential projects in Nanjing and Changsha in the first half of 2018 in order to maximise profit. As at 30 June 2018, there were total GFAs of completed but unsold residential units of 17,025 sq.m. and 56,766 sq.m. in Nanjing and Changsha respectively.

New land acquired during the first half of 2018 and land bank of the Group

In March 2018, the Group acquired a piece of land in Nanjing City, Jiangsu Province, the PRC with a site area of approximately 59,722 sq.m. Its plot ratio was 1.985. The newly acquired land is located west of Ning Li Road, Lishui District. The land is for mixed residential and commercial development purpose.

In April 2018, the Group acquired another piece of land in Nanjing City, Jiangsu Province, the PRC with a site area of approximately 10,188 sq.m. Its plot ratio was 1.8. The newly acquired land is located north of Wutai Road, east of Xintang Road, Gaochun District and is close to a metro station and transportation hub. The land is for mixed residential and commercial development purpose.

The Group currently had 19 projects under development or on sale, which included 5 projects managed by joint venture and associate entities. Average land cost for these 19 projects amounted to approximately RMB3,500 per sq.m.

As at 30 June 2018, the Group had a total land bank of GFA of 1,578,721 sq.m. including 168,494 sq.m. of completed but unsold properties, 6,290 sq.m. of own used properties, 145,251 sq.m. of completed investment properties, 729,572 sq.m. of properties under development and 529,114 sq.m. of properties developed by joint venture and associate entities.

Property leasing

Rental income arising from the Group's investment properties maintained a stable growth in the current period. As at 30 June 2018, the Group had completed investment properties with a total GFA of approximately 145,251 sq.m. The average occupancy rate of the Group's investment properties was close to 90%.

Metro leasing and operational management business

In May 2018, the Group succeeded in the bidding for the leasing and operational management contract in relation to the underground commercial space in 5 stations on Changsha Metro Line 4 for a term of 10 years. The total leasable GFA of these 5 stations amounted to 21,774 sq.m.

As at 30 June 2018, the Group had leasing and operational management contracts of 17 metro station shopping malls in four cities in mainland China, namely, Nanjing, Suzhou, Wuxi and Changsha with a total leasable GFA of around 82,280 sq.m. As at 30 June 2018, 9 metro station shopping malls were under operation and the overall occupancy rate was over 95%.

Hotel operation

As at 30 June 2018, the Group had two hotels under operation, namely Silka West Kowloon Hotel in Hong Kong and Nanjing Golden Wheel Atour Hotel in Nanjing. Average room occupancy rate of these two hotels during the period was both over 95%.

Investments

In addition to placing surplus funds as time deposits in banks in Hong Kong and China, the Group invested in corporate high yield bonds, funds, listed and unlisted equity shares to enhance returns. As at 30 June 2018, the Group had investments in debt instruments and financial assets at fair value through profit or loss amounting to RMB106.9 million and RMB398.1 million respectively. Most of these debt investments and financial assets had second hand markets and therefore could be easily realised to meet liquidity need.

First property development project in Hong Kong

In January 2018, the Group signed a preliminary sale and purchase agreement for the acquisition of the entire issued share capital of a company which owns a piece of land in Hong Kong. The acquisition was completed in July 2018. This is the second project of the Group in Hong Kong and also the first development project in the overseas market. The piece of land, which is located near Tin Hau MTR Station in Hong Kong, was planned to be re-developed into a commercial building with a total GFA of approximately 51,975 square feet.

Financing

In January 2018, the Group successfully issued senior notes in the principal amount of USD200 million bearing a coupon rate of 7% per annum and due in 2021. Proceeds from the senior notes will be used to refinance certain existing indebtedness, fund new projects and for general corporate purposes.

OUTLOOK

Since late last year, dozens of local governments have passed or expanded restrictions on property purchases and increased the minimum down payment required for a mortgage. The property market was further cooled off by relatively tightened liquidity condition as the government moved to contain leverage and risk in the financial system. It was expected that home price growth will be slowing down and the property market should remain stable in the second half of 2018. 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 2018, the Group had already successfully acquired 7 new projects for property development, including two residential and commercial projects acquired in the first half of 2018 in Nanjing. As at 30 June 2018, the Group had a land bank of GFA of over 1,578,721 sq.m. which enables the Group's stable growth for the next three years.

In the second half of 2018, the project, namely Zhuzhou Golden Wheel Jade Garden (Phase II), is expected to be completed and delivered. In addition, the Group has scheduled to launch the pre-sale of three projects, namely Golden Wheel Binary Star Plaza, Zhuzhou Golden Wheel Jinqiao Huafu and Wuxi Golden Wheel Lakeside Orchid Garden in the second half of 2018. Total saleable value of these three projects amounted to approximately RMB3.6 billion.

For leasing business, contributed by the Group's new shopping malls which were opened in the second half of 2017 and the period, together with the continual increase in overall rental rate, the Group is confident that recurring rental income will continue to achieve a reasonable growth in the second half of 2018. 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, the Group's hotel operation business ran very well in the first half of 2018, with an average room occupancy rate of over 95%. There are two more hotels under development, one in Nanjing and the other one in Changsha. It is expected that these two hotels will commence operation in 2019. Since these two hotels are located in prime locations and close to metro stations, the Group is confident that they will further enhance the Group's recurring income.

Looking ahead, other than the property development business in China, the Group will continue to seize more property development opportunities outside mainland China, especially in Hong Kong. In addition, more resources will be allocated to the property leasing and hotel operation businesses.

FINANCIAL REVIEW

Results of operation

Revenue

The Group's revenue consists of revenue derived from (i) sale of developed properties; (ii) rental income from property leasing; and (iii) hotel operation. 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 2018 (unaudited)		30 June 2017 (unaudited)	
	RMB'000	*%*	*RMB'000*	*%*
Property development	**724,153**	**85.4**	971,079	92.4
Property leasing	**99,693**	**11.8**	79,539	7.6
Hotel operation	**23,739**	**2.8**	–	–
Total	**847,585**	**100.0**	1,050,618	100.0

The Group's revenue was primarily generated from its sale of developed properties, which accounted for 85.4% of its revenue for the six months ended 30 June 2018 (six months ended 30 June 2017: 92.4%), rental income from property leasing, which accounted for 11.8% of its revenue for the six months ended 30 June 2018 (six months ended 30 June 2017: 7.6%) and hotel operation income, which accounted for 2.8% (six months ended 30 June 2017: n/a). Revenue decreased by 19.3% from RMB1,050.6 million for the six months ended 30 June 2017 to RMB847.6 million for the six months ended 30 June 2018, primarily due to the decrease in revenue derived from the sale of developed properties.

Property development

Revenue derived from the property development business decreased by 25.4% from RMB971.1 million for the six months ended 30 June 2017 to RMB724.2 million for the six months ended 30 June 2018. This decrease was primarily due to the decrease in the total GFA sold and delivered during the first half of 2018.

Property leasing

Revenue derived from property leasing increased by 25.3% to RMB99.7 million for the six months ended 30 June 2018 (six months ended 30 June 2017: RMB79.5 million). The increase was mainly due to the addition of new shopping malls as well as the increase in average rent. The overall occupancy rate remained at around 90% for the period.

Hotel operation

Revenue derived from hotel operation business was RMB23.7 million for the six months ended 30 June 2018. In 2017, the Group opened Nanjing Golden Wheel Atour Hotel and acquired Silka West Kowloon Hotel. Both hotels operated well during the period with an average occupancy rate of over 95%.

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 2018 (unaudited)		30 June 2017 (unaudited)	
	RMB'000	*%*	*RMB'000*	*%*
Property development				
– Land acquisition costs	**194,536**	**46.0**	207,485	33.5
– Construction costs	**134,252**	**31.8**	310,391	50.1
– Capitalised finance costs	**49,001**	**11.6**	59,434	9.6
– Tax expenses	**6,860**	**1.6**	23,230	3.7
Subtotal	**384,649**	**91.0**	600,540	96.9
Property leasing *(note)*	**25,395**	**6.0**	19,503	3.1
Hotel operation	**12,553**	**3.0**	–	–
Total	**422,597**	**100.0**	620,043	100.0

Note: The amount included rental expense of RMB18.2 million (six months ended 30 June 2017: RMB14.8 million) for the metro station shopping malls for the six months ended 30 June 2018.

Cost of sales decreased by 31.8% from RMB620.0 million for the six months ended 30 June 2017 to RMB422.6 million for the six months ended 30 June 2018, primarily due to the decrease in the sale of developed properties.

Gross profit and gross profit margin

Gross profit decreased slightly by 1.3% from RMB430.6 million for the six months ended 30 June 2017 to RMB425.0 million for the six months ended 30 June 2018, primarily due to the decrease in gross profit generated from the sale of completed properties which was off set by the increase in gross profit margin of the sale of completed properties as well as the increase of rental income and hotel operation income.

Gross profit margin of the Group increased from 41.0% for the six months ended 30 June 2017 to 50.1% for the six months ended 30 June 2018, primarily due to the increase in gross profit margin of the sale of completed properties.

The gross profit margin of the sale of completed properties increased from 38.2% for the six months ended 30 June 2017 to 46.9% for the six months ended 30 June 2018. 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. In addition, more commercial units were sold during the period which had a higher gross profit margin than residential units.

The gross profit margin for property leasing decreased slightly from 75.5% for the six months ended 30 June 2017 to 74.5% for the six months ended 30 June 2018. The decrease was mainly due to the openings of some new shopping malls in late 2017 and during the period.

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 2018 and 30 June 2017 on an open market value or existing use basis by an independent property valuer.

The fair value change of investment properties increased by 101.8% from RMB89.2 million as at 30 June 2017 to RMB180.0 million as at 30 June 2018. The increase was mainly due to the completion of construction of some investment properties during the period.

Other income, expenses, gains and losses

The Group had a net loss of RMB20.7 million for other income, expenses, gains and losses for the six months ended 30 June 2018 (net gain for the six months ended 30 June 2017: RMB109.6 million). The net loss for the six months ended 30 June 2018 mainly consisted of interest income of RMB19.9 million and net foreign exchange loss of RMB44.2 million.

Selling and marketing expenses

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

Selling and marketing expenses increased from RMB14.7 million for the six months ended 30 June 2017 to RMB18.1 million for the six months ended 30 June 2018, mainly due to the increase in advertising and promotional expenses for the pre-sales activities of projects during the period.

Administrative expenses

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

Administrative expenses increased from RMB77.6 million for the six months ended 30 June 2017 to RMB81.9 million for the six months ended 30 June 2018, primarily due to the increase in the number of administrative staff as well as their wages as a result of business expansion.

Share of results of joint ventures and associates

The Group's share of results of joint ventures and associates amounted to profit of RMB100.0 million during the six months ended 30 June 2018, versus loss of RMB2.2 million in the corresponding period of last year. The increase was mainly due to the completion of the construction of investment properties of a joint venture entity which had a substantial increase in its fair value on completion.

Finance costs

Finance costs consisted primarily of interest expenses on borrowings net of capital finance costs. Finance costs increased from RMB36.5 million for the six months ended 30 June 2017 to RMB86.3 million for the six months ended 30 June 2018, primarily because the Group's total indebtedness level was increased during the period.

Tax expenses

Tax expenses increased by RMB19.6 million from RMB224.5 million for the six months ended 30 June 2017 to RMB244.1 million for the six months ended 30 June 2018. The increase was due to the increase of deferred tax charge which resulted from the increase in fair value gain of investment properties during the current interim period.

Profit attributable to owners of the Company

Net profit attributable to owners of the Company was RMB247.9 million for the six months ended 30 June 2018, representing a decrease of 9.5% from RMB273.8 million for the corresponding period in 2017.

Liquidity, financial and capital resources

Cash position

As at 30 June 2018, the Group's cash and bank balances were RMB1,356.3 million (31 December 2017: RMB1,159.2 million), including restricted cash of RMB367.0 million (31 December 2017: RMB312.7 million) and structured bank deposits of RMB42 million (31 December 2017: RMB182.0 million).

Bank and other borrowings

As at 30 June 2018, the Group's bank and other borrowings were RMB5,147.7 million (including senior notes of RMB3,276.7 million and bonds of RMB18.6 million), representing an increase of RMB1,532.9 million from RMB3,614.8 million as at 31 December 2017 (including senior notes of RMB1,935.4 million and bonds of RMB18.2 million). Of the bank borrowings, RMB1,184.0 million were repayable within one year, RMB190.5 million were repayable between one and two years and RMB478.0 million were repayable between two and five years. Senior notes are repayable after one year. Bonds are repayable in December 2018.

As at 30 June 2018, the Group's bank borrowings of RMB1,763.0 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 RMB5,307.0 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 2018, the Group's total cost of borrowings was RMB172.4 million, representing an increase of RMB39.7 million or 29.9% as compared to the figure in the corresponding period in 2017 which was RMB132.7 million. The increase was primarily due to the higher average debt balance in the period as compared to the same period in 2017. The Group's average costs of borrowings during the six months ended 30 June 2018 and 2017 were approximately 6.78% and 8.05%, respectively.

Gearing ratio

The net gearing ratio was calculated by dividing the total borrowings (net of cash, structured and restricted bank deposits, investments in debt instruments and current financial assets at fair value through profit or loss) by the total equity. As at 30 June 2018, the net gearing ratio of the Group was 77.1%.

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 purchases of the Group's properties. The Group's guarantees are released upon the banks receiving the individual property ownership certificate of the respective properties 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 guarantees, 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 2018, these mortgage loan guarantees provided by the Group to the banks in favour of its customers amounted to RMB269.5 million (31 December 2017: RMB807.9 million). In the opinion of the directors of the Company, 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 2018, the Group had a total of approximately 561 (31 December 2017: 537) full-time employees in Hong Kong and China. The Group enters into employment contracts with its employees to cover matters such as job position, terms 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.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Six months ended	
		30 June 2018	30 June 2017
	NOTES	***RMB'000***	*RMB'000*
		(unaudited)	(unaudited)
Revenue	*3A*	**847,585**	1,050,618
Cost of sales		**(422,597)**	(620,043)
Gross profit		**424,988**	430,575
Other income, expenses, gains and losses	*4*	**(20,739)**	109,597
Loss from derecognition of financial assets measured at amortised cost		**(403)**	–
Impairment losses		**(5,655)**	–
Selling and marketing expenses		**(18,127)**	(14,669)
Administrative expenses		**(81,859)**	(77,637)
Finance costs	*5*	**(86,335)**	(36,474)
Share of profits (losses) of associates		**3,628**	(106)
Share of profits (losses) of joint ventures		**96,396**	(2,127)
Changes in fair value of investment properties	*10*	**180,024**	89,187
Profit before tax	*6*	**491,918**	498,346
Taxation	*7*	**(244,068)**	(224,521)
Profit for the period attributable to owners of the Company		**247,850**	273,825

	NOTE	Six months ended 30 June 2018 RMB'000 (unaudited)	30 June 2017 RMB'000 (unaudited)
Other comprehensive income (expense):			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**1,154**	(7,388)
Total comprehensive income for the period attributable to owners of the Company		**249,004**	266,437
EARNINGS PER SHARE			
Basic *(RMB per share)*	*8*	**0.138**	0.152
Diluted *(RMB per share)*	*8*	**0.138**	0.152

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at	
		30 June	31 December
		2018	2017
	NOTES	***RMB'000***	*RMB'000*
		(unaudited)	(audited)
Non-current assets			
Property, plant and equipment	*10*	**461,962**	461,416
Investment properties	*10*	**5,329,960**	5,213,906
Goodwill		**29,941**	29,686
Interests in associates		**345,909**	342,281
Interests in joint ventures		**407,595**	275,928
Available-for-sale investments		**–**	157,400
Financial assets at fair value though profit or loss		**170,665**	–
Restricted bank deposits		**73,625**	–
Investments in debt instruments		**19,766**	–
Deferred tax assets		**95,680**	85,174
		6,935,103	6,565,791
Current assets			
Properties under development for sale		**2,950,328**	1,686,308
Completed properties for sale		**643,950**	984,315
Investments in debt instruments		**87,161**	–
Trade and other receivables	*11*	**211,019**	147,967
Contract costs		**5,410**	–
Prepayments for leasehold land held for development for sale		**188,375**	326,578
Amount due from an associate		**–**	26,832
Land appreciation tax and income tax prepaid		**19,491**	4,229
Financial assets at fair value through profit or loss			
– structured bank deposits		**42,000**	–
– other than structured bank deposits		**185,385**	–
Held-for-trading investments		**–**	4,098
Structured bank deposits		**–**	182,000
Restricted bank deposits		**293,375**	312,694
Cash and cash equivalents		**947,250**	664,519
		5,573,744	4,339,540

	NOTE	As at 30 June 2018 RMB'000 (unaudited)	As at 31 December 2017 RMB'000 (audited)
Current liabilities			
Trade and other payables	*12*	**494,467**	515,724
Contract liabilities		**544,446**	–
Rental received in advance		**26,294**	27,907
Deposits and prepayments received from pre-sale of properties		**–**	675,766
Amounts due to a joint venture and an associate		**140,201**	169,806
Land appreciation tax and income tax liabilities		**499,795**	503,427
Bank borrowings – due within one year		**1,183,956**	1,171,865
Bonds – due within one year		**18,565**	18,216
		2,907,724	3,082,711
Net current assets		**2,666,020**	1,256,829
Total assets less current liabilities		**9,601,123**	7,822,620
Non-current liabilities			
Deferred tax liabilities		**1,100,562**	1,043,793
Bank borrowings – due after one year		**668,443**	489,294
Rental received in advance		**15,675**	17,010
Senior notes		**3,276,735**	1,935,389
		5,061,415	3,485,486
Net assets		**4,539,708**	4,337,134
Capital and reserves			
Share capital		**113,099**	113,099
Share premium and reserves		**4,426,609**	4,224,035
Total equity		**4,539,708**	4,337,134

1. GENERAL AND BASIS OF PREPARATION

Golden Wheel Tiandi Holdings Company Limited (the "**Company**") was incorporated as an exempted Company with limited liability in the Cayman Islands on 26 April 2012 and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") with effect from 16 January 2013.

The Company is an investment holding company. The Company and its subsidiaries (hereinafter collectively referred to as the "**Group**") are principally engaged in the property development, property leasing and hotel operation.

The condensed consolidated financial statements are presented in Renminbi ("**RMB**"), the currency of the primary economic environment in which the principal subsidiaries of the Company operate (same as the functional currency of the Company).

The condensed consolidated 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.

2. PRINCIPAL ACCOUNTING POLICIES

The 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.

Other than changes in accounting policies resulting from application of new and amendments to International Financial Reporting Standards ("**IFRSs**"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2018 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2017. In addition, upon the acquisition of a joint venture during the period, the Group has applied the following accounting policies during the current interim period.

Acquisition of a joint venture not constituting a business

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Application of new and amendments to IFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to IFRSs issued by the IASB which are mandatorily effective for the annual period beginning on or after 1 January 2018 for the preparation of the Group's condensed consolidated financial statements:

IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers and the related Amendments
IFRIC 22	Foreign Currency Transactions and Advance Consideration
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
Amendments to IAS 28	As part of the Annual Improvements to IFRSs 2014-2016 Cycle
Amendments to IAS 40	Transfers of Investment Property

The new and amendments to IFRSs have been applied in accordance with the relevant transition provisions in the respective standards and amendments which results in changes in accounting policies, amounts reported and/or disclosures.

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Application of new and amendments to IFRSs (Continued)

As a result of the changes in the entity's accounting policies above, the opening condensed consolidated statement of financial position had to be restated. The following table shows the adjustments recognised for each individual line item.

	31 December 2017 (Audited) *RMB'000*	IFRS 15 *RMB'000*	IFRS 9 *RMB'000*	1 January 2018 (Restated) *RMB'000*
Non-current assets				
Available-for-sale investments	157,400	–	(157,400)	–
Financial assets at fair value through profit or loss ("FVTPL")	–	–	157,400	157,400
Others with no adjustments	6,408,391	–	–	6,408,391
	6,565,791	–	–	6,565,791
Current assets				
Contract costs	–	5,234	–	5,234
Held-for-trading investments	4,098	–	(4,098)	–
Structured bank deposits	182,000	–	(182,000)	–
Financial assets at FVTPL	–	–	186,098	186,098
Others with no adjustments	4,153,442	–	–	4,153,442
	4,339,540	5,234	–	4,344,774
Current liabilities				
Deposits and prepayments received from pre-sale of properties	675,766	(675,766)	–	–
Contract liabilities	–	675,766	–	675,766
Others with no adjustments	2,406,945	–	–	2,406,945
	3,082,711	–	–	3,082,711
Net current assets	1,256,829	5,234	–	1,262,063
Total assets less current liabilities	7,822,620	5,234	–	7,827,854
Non-current liabilities				
Deferred tax liabilities	1,043,793	1,309	–	1,045,102
Others with no adjustments	2,441,693	–	–	2,441,693
	3,485,486	1,309	–	3,486,795
Net assets	4,337,134	3,925	–	4,341,059
Capital and reserves				
Share capital	113,099	–	–	113,099
Share premium and reserves	4,224,035	3,925	–	4,227,960
Total equity	4,337,134	3,925	–	4,341,059

3A. REVENUE FROM GOODS AND SERVICES

Revenue represents the consideration from sale of properties, properties leasing received and receivable and gross proceeds from rendering of hotel services.

Disaggregation of revenue

	For the six months ended 30 June 2018			
	Property leasing	**Property development**	**Hotel operation**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Types of goods or service				
Properties	–	724,153	–	724,153
Hotel service	–	–	23,739	23,739
Revenue from contracts with customers	–	724,153	23,739	747,892
Revenue from property leasing	99,693	–	–	99,693
Total revenue	99,693	724,153	23,739	847,585
Geographical markets				
Mainland China	99,693	724,153	12,012	835,858
Hong Kong	–	–	11,727	11,727
Total	99,693	724,153	23,739	847,585

Group's revenue from property development and hotel operation is recognised at a point in time during the six months ended 30 June 2018.

3B. SEGMENT INFORMATION

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

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 operating segments for the period under review:

Segment revenue and results

	Property development	Property leasing	Hotel operation	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
For the six months ended 30 June 2018 (unaudited)				
Segment revenue	**724,153**	**99,693**	**23,739**	**847,585**
Segment results	**309,386**	**34,756**	**3,120**	**347,262**
Other income, expenses, gains and losses				**(20,739)**
Loss from derecognition of financial assets measured at amortised cost				**(403)**
Impairment losses				**(5,655)**
Finance costs				**(86,335)**
Unallocated corporate expenses				**(22,260)**
Share of profits of associates				**3,628**
Share of profits of joint ventures				**96,396**
Changes in fair value of investment properties				**180,024**
Profit before tax				**491,918**

3B. SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (Continued)

	Property development *RMB'000*	Property leasing *RMB'000*	Hotel operation *RMB'000*	Total *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

4. OTHER INCOME, EXPENSES, GAINS AND LOSSES

(1) Other income

	Six months ended 30 June 2018 RMB'000 (unaudited)	30 June 2017 RMB'000 (unaudited)
Interest income from bank deposits	**9,881**	11,643
Interest income from financial assets at FVTPL	**6,433**	–
Dividend income from financial assets at FVTPL	**5,519**	3,830
Interest income from investments in debt instruments	**3,575**	–
Government grant	**1,048**	1,420
Compensation income from early termination of leasing contract	**746**	1,107
Interest income from derivative financial liabilities	**–**	1,029
Interest income from available-for-sale investments	**–**	7,143
Others	**1,505**	6,489
	28,707	32,661

(2) Other gains and losses

	Six months ended 30 June 2018 RMB'000 (unaudited)	30 June 2017 RMB'000 (unaudited)
Net foreign exchange (losses) gains	**(44,221)**	57,852
Changes in fair value of financial assets at FVTPL	**(3,785)**	–
Gain on disposal of property, plant and equipment	**49**	–
Changes in fair value of held-for-trading investments	**–**	(12)
Unrealised gain on changes in fair value of derivative financial instruments	**–**	20,574
Gain on disposal of a joint venture	**–**	418
	(47,957)	78,832

4. OTHER INCOME, EXPENSES, GAINS AND LOSSES (CONTINUED)

(3) Other expenses

	Six months ended	
	30 June 2018	30 June 2017
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Others	**(1,489)**	(1,896)
Total	**(20,739)**	109,597

5. FINANCE COSTS

	Six months ended	
	30 June 2018	30 June 2017
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Interest on bank loans	**41,203**	17,850
Interest on senior notes	**130,393**	105,404
Interest on bonds	**769**	9,432
Less: Amount capitalised to properties under development for sale and investment properties under development	**(86,030)**	(96,212)
	86,335	36,474

6. PROFIT BEFORE TAX

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

	Six months ended	
	30 June 2018	30 June 2017
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Rental income in respect of investment properties	**(78,339)**	(59,195)
Less: Direct operating expenses of investment properties that generated rental income	**7,203**	4,694
	(71,136)	(54,501)
Rental income from sub-lease of rented properties	**(21,354)**	(20,344)
Less: Rental expenses of properties under sub-lease	**18,192**	14,809
	(3,162)	(5,535)
Cost of properties sold	**384,649**	600,540
Depreciation of property, plant and equipment	**7,441**	4,927
Impairment loss recognised in respect of investments in debt instruments	**5,655**	–

7. TAXATION

	Six months ended	
	30 June 2018	30 June 2017
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Current tax:		
– PRC enterprise income tax ("**EIT**")	**81,294**	99,118
– Land appreciation tax ("**LAT**")	**117,372**	115,674
– Hong Kong profits tax	**79**	69
	198,745	214,861
Deferred tax charge	**45,323**	9,660
	244,068	224,521

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 2018 and 2017.

Under the law of 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（中華人民共和國土地增值稅暫行條例）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, 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.

7. TAXATION (CONTINUED)

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 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 2018	30 June 2017
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Earnings		
Earnings for the purpose of basic and diluted earnings per share (profit for the period attributable to owners of the Company)	**247,850**	273,825
	'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 the same as the basic earnings per share for both periods.

9. DIVIDENDS

During the current interim period, final dividend of RMB0.028 per share in respect of the year ended 31 December 2017 (2017: RMB0.025 per share in respect of the year ended 31 December 2016), approximately amounted to RMB50,469,000 (2017: RMB45,061,000), was declared and paid to the owners of the Company.

Subsequent to the end of the current interim period, the Directors declared payment of an interim dividend of HK1.6 (equivalent to RMB1.4) cents per share, approximately amounting to HK$28,839,000 (approximately equivalent to RMB25,070,000) in aggregate for the six months ended 30 June 2018 (2017: RMB33,886,000), which will be paid to the shareholders of the Company whose names appear on the register of members of the Company on 17 September 2018.

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 CHFT Advisory And Appraisal Limited 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 RMB180,024,000 has been recognised directly in profit or loss and other comprehensive income for the six months ended 30 June 2018 (six months ended 30 June 2017: RMB89,187,000).

For completed investment properties, valuation was arrived at by making reference to the market transactions of comparable properties and on the basis of capitalisation of the rental income derived from existing tenancies with due allowance for reversionary income potential of the properties, where appropriate. The valuation of investment properties under development was carried at by making reference to the current or recent prices of investment properties and estimated costs to completion based on construction budget, committed contracts, allowances for contingencies as well as developer's profit margin, which reflect the risks associated with the completion of the development of the properties and in achieving the anticipated income or capital appreciation on the date of valuation.

During the current interim period, the Group incurred cost of RMB28,440,000 (six months ended 30 June 2017: RMB50,528,000) on investment properties.

During the current interim period, the Group spent RMB3,575,000 (six months ended 30 June 2017: RMB14,472,000) on additions of computers and office equipment and leasehold improvements in the PRC.

11. TRADE AND OTHER RECEIVABLES

	As at	
	30 June	31 December
	2018	2017
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Trade receivables	**115,886**	80,173
Other receivables	**52,286**	34,766
Advances to contractors	**14,186**	12,180
Other taxes prepaid	**28,661**	20,848
	211,019	147,967

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 recognised.

	30 June	31 December
	2018	2017
	RMB'000	*RMB'000*
	(unaudited)	(audited)
0 to 30 days	**111,382**	80,088
31 to 60 days	**476**	–
61 to 180 days	**7**	–
181 to 365 days	**4,021**	–
Over 1 year	**–**	85
	115,886	80,173

12. TRADE AND OTHER PAYABLES

	30 June 2018	31 December 2017
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Trade payables:		
0 to 60 days	**181,305**	336,387
61 to 180 days	**4,518**	7,774
181 to 365 days	**91,442**	1,271
Over 1 year	**10,457**	14,706
Total trade payables	**287,722**	360,138
Deposits received	**84,292**	56,430
Other taxes payable	**25,375**	24,465
Interest payable	**68,491**	34,379
Staff cost payable	**3,059**	26,601
Other payables and accrued expenses	**25,528**	13,711
Total other payables	**206,745**	155,586
Total trade and other payables	**494,467**	515,724

The above ageing analysis of trade payables was based on the invoice date.

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 2018, the Company has complied with the code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules and most of the recommended best practices contained therein.

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), Mr. Lie Tak Sen and Mr. Wong Cho Kei, Bonnie, who together have sufficient accounting and financial management expertise and business experience to carry out their duties.

The primary duties of the Audit Committee are: to review the Group's financial control, internal control and risk management systems, to review and monitor the integrity of the Group's financial statements and to review the Group's annual and interim financial statements and reports 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 2018 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), an independent non-executive director, Mr. Wong Kam Fai, an executive director, and Mr. Lie Tak Sen, an independent non-executive director.

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 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, an independent non-executive director.

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 re-appointment 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.

ISSUANCE OF SENIOR NOTES

On 11 January 2018, the Company issued USD200 million senior notes bearing coupon rate of 7% per annum and due in January 2021 (the "**USD 2021 Notes**"). The USD 2021 Notes have been admitted to the official list of Singapore Exchange Limited.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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 2018.

INTERIM DIVIDEND

The Board recommends the declaration and payment of an interim dividend of HK1.6 cents per share (the "**Interim Dividend**") for the six months ended 30 June 2018. It is expected that the Interim Dividend will be payable on Friday, 28 September 2018 to the shareholders whose names are listed on the register of members of the Company on Monday, 17 September 2018.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 14 September 2018 to Monday, 17 September 2018, 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 Thursday, 13 September 2018.

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 2018 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, 29 August 2018

As at the date of this announcement, the Board of Directors of the Company consists of 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; Mr. Wong Ying Loi, Mr. Lie Tak Sen, Mr. Li Yiu Fai and Mr. Wong Cho Kei, Bonnie as Independent Non-Executive Directors.