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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 2020

FINANCIAL HIGHLIGHTS

- Total contracted sales amounted to RMB1,754.8 million for the six months ended 30 June 2020 (30 June 2019: RMB1,867.4 million).
- Attributable contracted sales amounted to RMB1,704.5 million for the six months ended 30 June 2020 (30 June 2019: RMB1,176.4 million).
- Revenue amounted to RMB438.3 million for the six months ended 30 June 2020 (30 June 2019: RMB561.2 million).
- Loss for the period amounted to RMB139.9 million (30 June 2019: profit for the period of RMB232.7 million).
- Total equity amounted to RMB4,727.8 million as at 30 June 2020 (31 December 2019: RMB4,830.6 million) with net asset value per share amounting to RMB2.62 per share (31 December 2019: RMB2.68 per share).(Note)
- As of 30 June 2020, the Group had total cash and bank deposits of RMB1,327.7 million (31 December 2019: RMB1,753.6 million).

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

The board (the "**Board**") of directors (the "**Directors**", and each a "**Director**") 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 2020, together with the comparative figures for the corresponding period of 2019, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Six months ended	
		30 June 2020	30 June 2019
	NOTES	***RMB'000***	*RMB'000*
		(unaudited)	(unaudited)
Revenue	3	**438,292**	561,190
Cost of sales		**(310,610)**	(287,467)
Gross profit		**127,682**	273,723
Changes in fair value of investment properties		**(59,424)**	155,114
Other income, expense, gains and losses	4(b)	**15,890**	8,539
Selling and marketing expenses		**(25,104)**	(23,797)
Administrative expenses		**(78,769)**	(85,061)
(Loss)/profit from operations		**(19,725)**	328,518
Finance costs	4(a)	**(105,704)**	(74,067)
Share of profits of associates		**22,235**	109,809
Share of (losses)/profits of joint ventures		**(1,993)**	8,200
(Loss)/profit before taxation	4	**(105,187)**	372,460
Income tax	5	**(34,692)**	(139,715)
(Loss)/profit for the period		**(139,879)**	232,745
Attributable to:			
Equity shareholders of the Company		**(151,842)**	232,745
Non-controlling interest		**11,963**	–
(Loss)/profit for the period		**(139,879)**	232,745

	NOTES	Six months ended 30 June 2020 RMB'000 (unaudited)	30 June 2019 RMB'000 (unaudited)
(Loss)/earnings per share			
Basic *(RMB per share)*	6	**(0.084)**	0.129
Diluted *(RMB per share)*	6	**(0.084)**	0.129
Other comprehensive income for the period (after tax and reclassification adjustments):			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of the entities with functional currencies other than RMB		**(718)**	(2,803)
Other comprehensive income for the period		**(718)**	(2,803)
Total comprehensive income for the period		**(140,597)**	229,942
Attributable to:			
Equity shareholders of the Company		**(152,560)**	229,942
Non-controlling interest		**11,963**	–
Total comprehensive income for the period		**(140,597)**	229,942

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	As at 30 June 2020 RMB'000 (unaudited)	As at 31 December 2019 RMB'000 (audited)
Non-current assets			
Property, plant and equipment	7	**239,346**	260,699
Investment properties	7	**6,457,651**	6,258,897
Interests in associates		**509,234**	468,999
Interests in joint ventures		**417,238**	419,231
Other financial assets	8	**226,310**	221,667
Restricted bank deposits		**181,010**	170,000
Deferred tax assets		**169,344**	154,324
		8,200,133	7,953,817
Current assets			
Properties under development for sale		**6,390,841**	5,157,894
Completed properties for sale		**885,118**	1,145,750
Contract costs		**9,714**	6,473
Trade and other receivables	9	**315,881**	348,773
Land appreciation tax and income tax prepaid		**48,653**	28,075
Other financial assets	8	**2,667**	5,525
Restricted bank deposits		**342,665**	604,359
Cash and cash equivalents		**804,023**	979,208
		8,799,562	8,276,057
Current liabilities			
Trade and other payables	10	**1,990,569**	1,808,858
Contract liabilities		**1,435,741**	971,179
Rental received in advance		**17,969**	31,342
Lease liabilities		**39,067**	43,298
Bank loans		**2,321,741**	2,393,017
Current taxation		**633,633**	683,578
Senior notes		**2,215,294**	185,149
		8,654,014	6,116,421
Net current assets		**145,548**	2,159,636
Total assets less current liabilities		**8,345,681**	10,113,453

		As at	
		30 June	31 December
		2020	2019
	NOTES	***RMB'000***	*RMB'000*
		(unaudited)	(audited)
Non-current liabilities			
Bank loans		**969,267**	1,348,776
Lease liabilities		**236,997**	249,169
Deferred tax liabilities		**1,182,823**	1,180,961
Rental received in advance		**4,357**	2,549
Senior notes		**1,224,396**	2,501,362
		3,617,840	5,282,817
NET ASSETS		**4,727,841**	4,830,636
CAPITAL AND RESERVES			
Share capital		**113,099**	113,099
Reserves		**4,525,340**	4,704,098
Total equity attributable to equity shareholders of the Company		**4,638,439**	4,817,197
Non-controlling interests		**89,402**	13,439
TOTAL EQUITY		**4,727,841**	4,830,636

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 property development, property leasing and hotel operation.

The unaudited 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 interim financial report of the Group has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (IAS) 34, Interim financial reporting, issued by the International Accounting Standards Board (IASB). It was authorised for issue on 28 August 2020.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2019 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2020 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a period to date basis. Actual results may differ from these estimates.

The interim financial report contains unaudited consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2019 annual financial statements. The unaudited condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards (IFRSs).

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, Review of interim financial information performed by the independent auditor of the entity, issued by the Hong Kong Institute of Certified Public Accountants.

The financial information relating to the financial year ended 31 December 2019 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements for the financial year ended 31 December 2019. The Company's auditor has reported on those financial statements for the financial year ended 31 December 2019. The auditor's report was unqualified and did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report.

2. CHANGE IN ACCOUNTING POLICIES

The Group has applied the following amendments to IFRSs issued by the IASB to these financial statements for the current accounting period:

- Amendments to IFRS 3, Definition of a Business

- Amendment to IFRS 16, COVID-19-Related Rent Concessions

Amendments to IFRS 3, Definition of a Business does not have a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in the interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period except for the amendment to IFRS 16, COVID-19-Related Rent Concessions, which provides a practical expedient that allows lessees not to assess whether particular rent concessions occupying as a direct consequence of the COVID-19 pandemic are lease modifications and, instead, account for those rent concessions as if they were not lease modifications. Impacts of the adoption of the amended IFRSs are discussed below.

Amendment to IFRS 16, COVID-19-Related Rent Concessions

The amendment provides a practical expedient that allows a lessee to by-pass the need to evaluate whether certain qualifying rent concessions occurring as a direct consequence of the COVID-19 pandemic ("**COVID-19-related rent concessions**") are lease modifications and, instead, account for those rent concessions as if they were not lease modifications.

The Group has elected to early adopt the amendments and applies the practical expedient to all qualifying COVID-19-related rent concessions granted to the Group during the interim reporting period. Consequently, rent concessions received have been accounted for as negative variable lease payments recognised in profit or loss in the period in which the event or condition that triggers those payments occurred (see Note 7(a)). There is no impact on the opening balance of equity at 1 January 2020.

3. REVENUE AND SEGMENT REPORTING

The principal activities of the Group are property development, property leasing and hotel operation. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified three operating and reportable segments.

(a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by business lines and geographical location of customers is as follows:

	Six months ended	
	30 June 2020	30 June 2019
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Property development	**336,758**	422,191
Property leasing	**89,420**	109,035
Hotel operation	**12,114**	29,964
Total revenue	**438,292**	561,190
Disaggregated by geographical location of customers		
Mainland China	**438,292**	548,433
Hong Kong	**–**	12,757
	438,292	561,190

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is disclosed in note 3(b).

(b) Information about profit or loss, assets and liabilities

Disaggregation of revenue from contracts with customers by timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below. No segment assets and liabilities are presented as they were not regularly provided to the chief operating decision maker for the purposes of resource allocation and performance assessment.

	Property development		Property leasing		Hotel operation		Total	
For the six months ended	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)	**(unaudited)**	(unaudited)	**(unaudited)**	(unaudited)
Disaggregated by timing of revenue recognition								
Point in time	**336,758**	422,191	**89,420**	109,035	**–**	–	**426,178**	531,226
Over time	**–**	–	**–**	–	**12,114**	29,964	**12,114**	29,964
Reportable segment revenue	**336,758**	422,191	**89,420**	109,035	**12,114**	29,964	**438,292**	561,190
Reportable segment profit/(loss)	**5,996**	129,209	**37,400**	48,668	**(7,101)**	4,409	**36,295**	182,286

(c) Reconciliations of reportable segment profit or loss

	Six months ended 30 June 2020 *RMB'000* (unaudited)	30 June 2019 *RMB'000* (unaudited)
Reportable segment profit	**36,295**	182,286
Changes in fair value of investment properties	**(59,424)**	155,114
Other income, expense, gains and losses	**15,890**	8,539
Unallocated head office and corporate expenses	**(12,486)**	(17,421)
Finance costs	**(105,704)**	(74,067)
Share of profits of associates	**22,235**	109,809
Share of (losses)/profits of joint ventures	**(1,993)**	8,200
Consolidated (loss)/profit before taxation	**(105,187)**	372,460

4. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived at after (crediting) charging:

(a) Finance costs

	Six months ended 30 June 2020 *RMB'000* (unaudited)	30 June 2019 *RMB'000* (unaudited)
Interest on bank loans	**108,222**	58,904
Interest on lease liabilities	**8,770**	9,040
Interest on senior notes	**192,919**	150,361
Less: Interest expense capitalised into properties under development for sale and investment properties under development	**(204,207)**	(144,238)
Total finance costs	**105,704**	74,067

(b) Other income, expense, gains and losses

	Six months ended	
	30 June 2020	30 June 2019
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Dividend and interest income	**33,198**	18,095
Government grant	**798**	419
Compensation income from early termination of leasing contract	**3,173**	2,233
Net foreign exchange losses	**(47,206)**	(12,397)
Changes in fair value of financial assets at fair value through profit or loss ("**FVTPL**")	**5,948**	20,284
Gain on disposal of financial assets at FVTPL	**1,662**	3,548
Gain/(loss) on/from repurchases of senior notes	**19,533**	(18,109)
Donation	**(91)**	(10,000)
Others	**(1,125)**	4,466
Total	**15,890**	8,539

(c) Other items

	Six months ended	
	30 June 2020	30 June 2019
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Cost of properties sold	**287,470**	261,913
Cost of rental income	**11,114**	9,688
Depreciation of property, plant and equipment	**10,729**	9,775
Impairment loss recognised in respect of investments in debt instruments	**1,517**	1,360

5. INCOME TAX

	Six months ended	
	30 June 2020	30 June 2019
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Current tax – Hong Kong Profits Tax	**–**	875
Current tax – People's Republic of China ("**PRC**") corporate income tax	**17,313**	28,639
Current tax – Land appreciation tax ("**LAT**")	**30,537**	32,806
Deferred taxation	**(13,158)**	77,395
	34,692	139,715

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.

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (2019: 16.5%) to the six months ended 30 June 2020. Under the two-tiered profits tax rates regime, the first Hong Kong Dollars ("**HK$**") 2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The provision for PRC income tax is based on the respective corporate income tax rates applicable to the subsidiaries located in the PRC as determined in accordance with the relevant income tax rules and regulations of the PRC.

The LAT is levied 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.

6. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the loss attributable to equity shareholders of the Company of RMB151,842,000 (six months ended 30 June 2019: profit of RMB232,745,000) and the weighted average of 1,802,456,000 ordinary shares (2019: 1,802,456,000 shares) in issue during the interim period.

(b) Diluted earnings per share

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.

7. INVESTMENT PROPERTIES AND OTHER PROPERTY, PLANT AND EQUIPMENT

(a) Right-of-use assets

The Group entered into a number of lease agreements for use of metro leasing and hotels. During the six months ended 30 June 2020, the Group received rent concessions in the form of a discount on fixed payments during the period of severe social distancing and travel restriction measures introduced to contain the spread of COVID-19.

	Six months ended 30 June 2020			
	Fixed payments *RMB'000*	**Variable payments** *RMB'000*	**COVID-19-related rent concessions** *RMB'000*	**Total payments** *RMB'000*
Metro leasing	**17,682**	**–**	**(5,545)**	**12,137**
Hotels	**2,959**	**–**	**(986)**	**1,973**

	Six months ended 30 June 2019			
	Fixed payments *RMB'000*	Variable payments *RMB'000*	COVID-19-related rent concessions *RMB'000*	Total payments *RMB'000*
Metro leasing	20,095	–	–	20,095
Hotels	2,845	–	–	2,845

As disclosed in note 2, the Group has early adopted the Amendment to IFRS 16, COVID-19-Related Rent Concessions, and has applied the practical expedient introduced by the Amendment to all eligible rent concessions received by the Group during the period.

(b) Acquisitions and disposals of owned assets

During the six months ended 30 June 2020, the Group acquired items of property, plant and equipment with a cost of RMB7,937,000 (six months ended 30 June 2019: RMB25,481,000). No property, plant and equipment were disposed of during the six months ended 30 June 2020 and the six months ended 30 June 2019.

(c) Valuation

The valuations of investment properties and land and buildings held for rental income carried at fair value were updated at 30 June 2020 by the Group's independent valuer using the same valuation techniques as were used by this valuer when carrying out the December 2019 valuations.

As a result of the update, a net loss of RMB59,424,000 (2019: net gain of RMB155,114,000), and the deferred tax thereon of RMB14,856,000 (2019: RMB38,778,000), have been recognised in profit or loss for the period in respect of investment properties.

8. OTHER FINANCIAL ASSETS

	As at 30 June 2020 RMB'000 (unaudited)	31 December 2019 RMB'000 (audited)
Financial assets		
Financial assets measured at FVTPL		
– Held-for-trading	**2,667**	5,525
– Unlisted equity securities	**209,092**	203,144
– Others	**10,972**	10,760
Financial assets measured at fair value through other comprehensive income	**6,246**	7,763
Total	**228,977**	227,192
Less: Amounts due within one year shown under current assets	**(2,667)**	(5,525)
Amounts shown under non-current assets	**(226,310)**	(221,667)

9. TRADE AND OTHER RECEIVABLES

Trade receivables mainly comprises certain consideration for sale of properties and rental receivables in respect of self-owned investment properties and sub-leased properties. Consideration in respect of sale of properties is receivable in accordance with the terms of related sale and purchase agreements. Rentals are usually received in advance. Rental receivables are normally due within 30 days. However, longer credit periods might grant to certain customers on a discretionary basis.

As of the end of the reporting period, the ageing analysis of trade receivables net of allowance for credit losses presented based on the date of delivery of properties/date of rendering of services, is as follows:

	As at 30 June 2020 RMB'000 (unaudited)	31 December 2019 RMB'000 (audited)
Within 1 year	**133,486**	169,141
Trade receivables, net of loss allowance	**133,486**	169,141
Amount due from associates and joint ventures	**32,695**	45,065
Other debtors	**105,207**	94,852
Less: Allowance for credit losses	**(27,714)**	(27,714)
Financial assets measured at amortised cost	**243,674**	281,344
Advances to contractors	**28,604**	19,933
Other taxes prepaid	**43,603**	47,496
	315,881	348,773

10. TRADE AND OTHER PAYABLES

As of the end of the reporting period, the ageing analysis of trade creditors and bills payables (which are included in trade and other payables), based on the invoice date, is as follows:

	As at	
	30 June 2020	31 December 2019
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Within 60 days	**1,026,117**	810,580
61 to 180 days	**24,201**	13,287
181 to 365 days	**17,091**	22,714
Over 1 year	**39,305**	39,797
Total creditors and bills payables	**1,106,714**	886,378
Other creditors and accrued charges	**545,597**	483,621
Amounts due to joint ventures and associates	**338,258**	438,859
Financial liabilities measured at amortised cost	**1,990,569**	1,808,858

11. DIVIDENDS

(a) Dividends payable to equity shareholders attributable to the interim period

	2020	2019
	RMB'000	*RMB'000*
Interim dividend declared and paid after the interim period is nil (2019: nil)	**–**	–

(b) Dividends payable to equity shareholders attributable to the previous financial year, approved and paid during the interim period

	2020	2019
	RMB'000	*RMB'000*
Final dividend in respect of the previous financial year, approved and paid during the following interim period, of HK$0.016 (equivalent to RMB0.015) per share (six months ended 30 June 2019: HK$0.019 (equivalent to RMB0.017))	**26,313**	30,120

The calculation of dividend per share is based on 1,802,456,000 ordinary shares in issue.

BUSINESS REVIEW

Since December 2019, coronavirus outbreak has spread across China and many countries worldwide. The Group's business, especially property leasing and hotel operation, has been significantly affected by the pandemic. During the first half of 2020, especially in the first quarter, China's property market suffered a critical setback as both construction activities and sales activities were required to be suspended in order to contain the spread of the pandemic.

Starting from the second quarter of 2020, after the successful containment of the pandemic in most of the cities in China, market sentiment has gradually improved, and the Group has accelerated the launch of its pre-sale projects. As a result, the Group was still managed to achieve a high contracted sales during the reporting period which was in line with its budget. For the six months ended 30 June 2020, contracted sales of the Group and its joint ventures and associates amounted to RMB1,754.8 million.

Property leasing and hotel operation business of the Group have been largely affected by the outbreak of the COVID-19 pandemic in the first quarter of 2020. The Group has voluntarily granted rental waivers to its lessees and the Group's hotels in China were also temporarily closed for a few months as required by the local government authorities. Fortunately, businesses have gradually resumed normal in the second quarter of 2020. Therefore, the Group believed that the impact of the COVID-19 pandemic on the Group's overall business is subsiding and, barring unforeseen circumstances, will not have any material adverse impact on the Group's financial position.

Property development

Contracted sales

The Group currently has more than 10 projects on sale. During the reporting period, the Group has launched the pre-sale of two new projects, namely Wuxi Golden Wheel Starry Plaza and Yangzhou No 1 Golden Bay. For the six months ended 30 June 2020, the Group and its joint ventures and associates achieved total contracted sales value and contracted sales area of approximately RMB1,754.8 million (30 June 2019: RMB1,867.4 million) and approximately 130,487 sq.m. (30 June 2019: 151,667 sq.m.), respectively.

Property sales

For the six months ended 30 June 2020, the Group's revenue from sale of properties amounted to approximately RMB336.8 million with an aggregate gross floor area ("**GFA**") of approximately 24,491 sq.m. being sold and delivered. The average selling price of these sold properties amounted to approximately RMB13,750 per sq.m.

As at 30 June 2020, there were total unrecognised contracted sales of RMB2,464.7 million. These unrecognised contracted sales are expected to be recognised in the second half of 2020 and in 2021 as and when the related projects are completed and delivered.

Land bank of the Group

The Group did not acquire any new land during the first half of 2020.

As at 30 June 2020, the Group had a total land bank of GFA of 1,563,490 sq.m., including 99,594 sq.m. of completed but unsold properties, 13,147 sq.m. of own used properties, 190,566 sq.m. of completed investment properties, 946,777 sq.m. of properties under development and 313,406 sq.m. of properties developed by joint venture and associate entities.

Property leasing

As a result of the outbreak of the COVID-19 pandemic, the Group had voluntarily granted rental waivers of around one to three months to its lessees with an aim to ease the financial pressure on the Group's customers and to maintain customer relationship.

As at 30 June 2020, the Group had completed investment properties with a total GFA of approximately 190,566 sq.m. The overall occupancy rate of the Group's investment properties for the six months ended 30 June 2020 was around 80%.

Metro leasing and operational management business

In March 2020, the Group has established a subsidiary, namely Wuxi Metro City Commercial Management Company Ltd (無錫地鐵商業管理有限公司), with Wuxi Metro Resource Development Company (無錫地鐵資源開發有限公司). The Group's equity interest in the subsidiary is 60%. During the reporting period, the subsidiary had signed the leasing and operational management contract with the local authority in relation to the underground commercial space in 8 stations on Wuxi Metro Lines 3 and 4 for a terms of 10 years. The total leasable GFA of these 8 stations amounted to approximately 45,500 sq.m.

As at 30 June 2020, the Group had leasing and operational management contracts of 23 metro station shopping malls in four cities in mainland China, namely, Nanjing, Suzhou, Wuxi and Changsha with a total leasable GFA of around 113,400 sq.m. As at 30 June 2020, 10 metro station shopping malls were under operation and the overall occupancy rate was approximately 80%.

Hotel operation

The Group had completed the disposal of Silka West Kowloon Hotel in Hong Kong in December 2019. During the six months ended 30 June 2020, the Group's hotel operation in China was temporarily closed for more than two months as required by the local government authorities as a result of the outbreak of the COVID-19 pandemic. As such, the Group's hotel income for the six months ended 30 June 2020 was largely affected.

As at 30 June 2020, the Group had two hotels under operation, namely Golden Wheel Atour Hotel in Nanjing and Golden Wheel Hampton by Hilton in Changsha. Total number of rooms for these two hotels amounts to 315. Average room occupancy rate of these two hotels during the reporting period was 56%. As the COVID-19 pandemic became more contained, such rate climbed up to 80% for June 2020.

Significant investments held

The Group's major investment was its equity investment in the shares of Xiamen International Bank Co., Ltd. As at 30 June 2020, the Group had 34 million (31 December 2019: 34 million) unlisted equity shares of Xiamen International Bank Co., Ltd with a carrying value of RMB209.1 million (31 December 2019: RMB203.1 million). The investment is for long-term purpose and it can also further enhance the business relationship between the Group and Xiamen International Bank.

First property development project in Hong Kong

The Group's first commercial project in Hong Kong has completed and the occupancy permit was obtained in July 2020. The project is located near Tin Hau MTR Station in Hong Kong and is a commercial building with a total GFA of approximately 51,975 square feet.

The outbreak of the COVID-19 pandemic has caused severe disruptions to Hong Kong economics and business activities, resulting in an increase in vacancy of office building as well as a decrease in rental for offices and retail shops. As such, the Group's first commercial project in Hong Kong is expected to face much more difficulties when the Group launches the project. Nevertheless, the Group had already secured a few preliminary lease agreements as at 30 June 2020 and more marketing activities will be carried out in the second half of 2020.

Financing

In January 2020, the Group issued senior notes in an aggregate principal amount of USD200 million, bearing coupon rate of 12.95% per annum and due in March 2022. Proceeds from this issue were applied in refinancing the existing indebtedness of the Group, including the repurchase of part of the senior notes in the principal amount of USD400 million issued by the Group, bearing coupon rate of 7% per annum and due in January 2021.

OUTLOOK

Due to the COVID-19 pandemic, the global economic environment in 2020 is full of uncertainties. Fortunately, under the decisive control measures imposed by the Chinese government, the epidemic was basically contained in mid-March 2020 in mainland China. The property market has gained momentum in recent months supported by policy stimulus and as travel curbs to halt the spread of the coronavirus were lifted in most regions in China. It is expected that the property market will keep improving in the second half of the 2020 as infections fall.

To ensure continuing growth in the Group's property development business, it is the strategy of the Group to have a land bank that can support the Group's stable growth for at least the next three years. As at 30 June 2020, the Group had a land bank of GFA of 1,563,490 sq.m. which should meet the needs of the Group's new three-year development plan. In the second half of 2020, the Group will exercise extra caution when looking for good development opportunities. The Group will only invest in the areas that it is familiar as well as projects that can generate reasonable return.

Although the Group did not have new projects completed in the first half of 2020, it was expected that in the second half of 2020, three projects, namely Nanjing Golden Wheel Romantic Tower, Nanjing Golden Wheel Shuiying Hua Ting and Zhuzhou Golden Wheel Jinqiao Huafu, will be completed and delivered. In addition, the Group has scheduled to launch the pre-sale of a commercial project in Nanjing, namely Nanjing Golden Wheel Galaxy Center, in the second half of 2020. This is the Group's best quality project ever as the land is in a prime location, which is in a walking distance to Nanjing South Station and the land cost is only around RMB4,000 per sq.m. The project has a total saleable GFA of 242,000 sq.m. with a total saleable value of approximately RMB4.0 billion.

For leasing business, a new shopping mall with a total GFA of 15,774 sq.m., namely Golden Wheel Binary Star Plaza, is scheduled to be opened in the last quarter of 2020. As at 30 June 2020, this new shopping mall has already secured lease agreements to lease out over 90% of its total leasable area. As such, the Group is confident that recurring rental income will continue to achieve a reasonable growth in the second half of 2020. The Group's strategy is to continue building up its investment property portfolio so as to maintain a stable return to its shareholders.

After the disposal of its entire interest in Double Advance Group Limited, which owns the Silka West Kowloon Hotel in Hong Kong, in December 2019, the Group had two hotels under operations and three hotels under development. All of the hotels under development are expected to start operation by end of this year or early next year.

Looking ahead, the Group will continue to carry out its core strategy, that is "Focusing on the development and operation of projects that are physically connected to metro stations or other transportation hub". Together with the Group's prudent financial management, the Group believes it could maintain its competitive edge for further development and expansion.

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) income from 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 2020 (unaudited)		30 June 2019 (unaudited)	
	RMB'000	*%*	*RMB'000*	*%*
Property development	**336,758**	**76.8**	422,191	75.2
Property leasing	**89,420**	**20.4**	109,035	19.4
Hotel operation	**12,114**	**2.8**	29,964	5.4
Total	**438,292**	**100.0**	561,190	100.0

The Group's revenue was primarily generated from its sale of developed properties, which accounted for 76.8% of its revenue for the six months ended 30 June 2020 (six months ended 30 June 2019: 75.2%), rental income from property leasing, which accounted for 20.4% of its revenue for the six months ended 30 June 2020 (six months ended 30 June 2019: 19.4%) and income from hotel operation, which accounted for 2.8% of its revenue for the six months ended 30 June 2020 (six months ended 30 June 2019: 5.4%). Revenue decreased by 21.9% from RMB561.2 million for the six months ended 30 June 2019 to RMB438.3 million for the six months ended 30 June 2020, primarily due to the outbreak of the COVID-19 pandemic resulting in a decrease in revenue generated from all business segments of the Group for the current period.

Property development

Revenue derived from the property development business decreased by 20.2% from RMB422.2 million for the six months ended 30 June 2019 to RMB336.8 million for the six months ended 30 June 2020. This decrease was primarily due to the decrease in the total GFA sold and delivered during the first half of 2020 as the construction and sales activities of the Group have been seriously affected during the first quarter of 2020 due to the outbreak of the COVID-19 pandemic. In addition, during the reporting period, the Group did not have new project completed and delivered, while one project was completed and delivered in the corresponding period last year.

Property leasing

Revenue derived from property leasing decreased by 18.0% to RMB89.4 million for the six months ended 30 June 2020 (six months ended 30 June 2019: RMB109.0 million). The decrease was mainly due to the outbreak of the COVID-19 pandemic. During the six months ended 30 June 2020, the Group voluntarily granted rental waivers of around one to three months to its lessees in view of the on-going outbreak of the COVID-19 pandemic, with an aim to ease the financial pressure on the Group's customers and to maintain customer relationship.

Hotel operation

Revenue derived from hotel operation decreased by 59.6% to RMB12.1 million for the six months ended 30 June 2020 (six months ended 30 June 2019: RMB30.0 million). The decrease was primarily due to the disposal of Silka West Kowloon Hotel in December 2019 which had generated a revenue of RMB12.8 million for the corresponding period last year. In addition, due to the outbreak of the COVID-19 pandemic, the Group's hotels in China were temporarily closed for more than two months as required by the local government authorities.

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 2020 (unaudited)		30 June 2019 (unaudited)	
	RMB'000	*%*	*RMB'000*	*%*
Property development				
– Land acquisition costs	**105,366**	**33.9**	123,672	43.0
– Construction costs	**145,474**	**46.8**	108,175	37.6
– Capitalised finance costs	**33,698**	**11.0**	26,175	9.1
– Tax expenses	**2,932**	**0.9**	3,891	1.4
Subtotal	**287,470**	**92.6**	261,913	91.1
Property leasing	**11,114**	**3.6**	9,688	3.4
Hotel operation	**12,026**	**3.8**	15,866	5.5
Total	**310,610**	**100.0**	287,467	100.0

Cost of sales increased by 8.1% from RMB287.5 million for the six months ended 30 June 2019 to RMB310.6 million for the six months ended 30 June 2020, primarily due to the increase in cost of sales from property development which was mainly caused by the increase in construction costs.

Gross profit and gross profit margin

Gross profit decreased by 53.4% from RMB273.7 million for the six months ended 30 June 2019 to RMB127.7 million for the six months ended 30 June 2020, primarily due to the decrease in revenue generated from all three business segments of the Group which was mainly caused by the outbreak of the COVID-19 pandemic.

Gross profit margin of the Group decreased from 48.8% for the six months ended 30 June 2019 to 29.1% for the six months ended 30 June 2020, primarily due to the decrease in gross profit margin of the sale of developed properties.

The gross profit margin of the sale of developed properties decreased from 38.0% for the six months ended 30 June 2019 to 14.6% for the six months ended 30 June 2020. The decrease was mainly because the properties sold and recognised as revenue during the reporting period had a lower gross profit margin due to its location as well as its composition which included mainly residential units.

The gross profit margin for property leasing decreased from 91.1% for the six months ended 30 June 2019 to 87.6% for the six months ended 30 June 2020. Rental waivers were given to the lessees of the Group in the first quarter of 2020, resulted in lesser amount of rental income received. Notwithstanding the decrease in rental income, maintenance costs continued to be incurred, leading to the decrease in gross profit margin for this business segment.

The gross profit margin for hotel operation decreased from 47.0% for the six months ended 30 June 2019 to 0.7% for the six months ended 30 June 2020. The decrease was mainly due to the temporary closure of hotels of the Group in China for more than two months as a result of the COVID-19 pandemic.

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 2020 and 30 June 2019 on an open market value or existing use basis by an independent property valuer.

For the six months ended 30 June 2020, the Group recorded a fair value loss on investment properties of RMB59.4 million (2019: a fair value gain of RMB155.1 million). This unrealised revaluation loss was mainly caused by the outbreak of the COVID-19 pandemic which has adversely affected the rental income generated by the Group's operating investment properties.

Other income, expense, gains and losses

The Group had a net gain of RMB15.9 million for other income, expense, gains and losses for the six months ended 30 June 2020 (2019: RMB8.5 million). The net gain for the six months ended 30 June 2020 mainly consisted of dividend and interest income of RMB33.2 million (for the six months ended 30 June 2019: RMB18.1 million), fair value gain from financial assets at FVTPL of RMB5.9 million (for the six months ended 30 June 2019: RMB20.3 million) and gain on repurchases of senior notes of RMB19.5 million (for the six months ended 30 June 2019: loss from repurchases of senior notes of RMB18.1 million), which were offset by net foreign exchange losses of RMB47.2 million (for the six months ended 30 June 2019: RMB12.4 million).

Selling and marketing expenses

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

Selling and marketing expenses increased from RMB23.8 million for the six months ended 30 June 2019 to RMB25.1 million for the six months ended 30 June 2020, mainly due to the increase in advertising and promotional expenses for the pre-sale activities of projects during the reporting 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 decreased from RMB85.1 million for the six months ended 30 June 2019 to RMB78.8 million for the six months ended 30 June 2020, representing a decrease of approximately 7.4% as compared with that in the corresponding period of last year. During the reporting period, the Group continued to maintain tight cost control policy. As a result, even though the Group has increased its operating scale, the Group was able to further reduce its overall administrative expenses.

Share of profits of associates and joint ventures

The Group's share of profits of associates and joint ventures amounted to RMB20.2 million during the six months ended 30 June 2020 (for the six months ended 30 June 2019: RMB118.0 million), mainly attributable to the share of a profit of RMB27.3 million from one of the Group's associates. The decrease in share of profits of associates and joint ventures was due to the fact that in the corresponding period last year, one of the Group's associates had completed and delivered a project in Nanjing with a higher gross profit margin of 33.0%, resulting in the Group's share of profits of associates of RMB109.8 million.

Finance costs

Finance costs consisted primarily of interest expenses on borrowings net of capital finance costs. Finance costs increased from RMB74.1 million for the six months ended 30 June 2019 to RMB105.7 million for the six months ended 30 June 2020, primarily due to the overall increase in total borrowings as well as the increase in the average cost of borrowings. As at 30 June 2020, the Group had total borrowings of RMB6,730.7 million, while as at 30 June 2019, the Group's total borrowings were RMB6,688.3 million. In addition, the average cost of borrowings increased from 7.2% in 2019 to 10.4% in 2020.

Income tax

Tax expenses decreased by RMB105.0 million from RMB139.7 million for the six months ended 30 June 2019 to RMB34.7 million for the six months ended 30 June 2020. The decrease was due to the decrease of PRC corporate income tax and land appreciation tax resulted from the decrease in revenue from the sale of developed properties as well as the decrease of gross profit margin of sale of developed properties.

Loss/profit for the period

Due to the decrease in gross profit and the unrealised revaluation loss on investment properties which were mainly caused by the outbreak of the COVID-19 pandemic, the Group incurred a net loss of RMB139.9 million for the six months ended 30 June 2020, as compared to a net profit of RMB232.7 million for the corresponding period in 2019.

Liquidity, financial and capital resources

Cash position

As at 30 June 2020, the Group's cash and bank balances were RMB1,327.7 million (31 December 2019: RMB1,753.6 million), including restricted bank deposits of RMB523.7 million (31 December 2019: RMB774.4 million). The decrease in cash and bank balances was mainly due to the decrease in cash collected from properties sales as well as rental receivables as impacted by the COVID-19 pandemic.

Bank and other borrowings

As at 30 June 2020, the Group's bank and other borrowings were RMB6,730.7 million (including senior notes of RMB3,439.7 million), representing an increase of RMB302.4 million from RMB6,428.3 million as at 31 December 2019 (including senior notes of RMB2,686.5 million). Of the bank borrowings, RMB2,321.7 million are repayable within one year or on demand, RMB461.9 million are repayable between one and two years and RMB507.4 million are repayable between two and five years. Senior notes of RMB2,215.3 million are repayable within one year and RMB1,224.4 million are repayable after one year.

As at 30 June 2020, the Group's bank borrowings of RMB3,190.8 million were secured by the properties, including property, plant and equipment, investment properties, properties under development for sale and completed properties held for sale, and cash of the Group with a total carrying value of RMB9,581.0 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, 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 2020, the Group's total cost of borrowings was RMB301.1 million, representing an increase of RMB91.8 million or 43.9% as compared to the figure in the corresponding period in 2019 which was RMB209.3 million. The increase was primarily due to the increase in average debt balance as well as average borrowing cost in the reporting period as compared to the corresponding period in 2019. The Group's average costs of borrowings during the six months ended 30 June 2020 and 2019 were approximately 10.4% and 7.2%, respectively.

Gearing ratio

The net gearing ratio was calculated by dividing the total borrowings (net of cash, structured and restricted bank deposits) by the total equity. As at 30 June 2020, the net gearing ratio of the Group was 114.3% (31 December 2019: 96.8%).

The Group's debt-to-asset ratio (total indebtedness divided by total assets) was approximately 72.2% as at 30 June 2020 versus approximately 70.2% as at 31 December 2019.

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 and senior notes are denominated in Hong Kong dollars or United States 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 2020, mortgage loan guarantees provided by the Group to the banks in favour of its customers amounted to RMB492.2 million (31 December 2019: RMB317.8 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 2020, the Group had a total of approximately 694 (31 December 2019: 688) 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.

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 2020, 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 Sze Keung (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 and supervise the Company's financial reporting process, half-yearly and annual results, risk management and internal control systems, effectiveness of the internal audit function performed by the internal audit department of the Group and provide advice and comments 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 had reviewed the unaudited interim condensed consolidated financial statements for the six months ended 30 June 2020 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 recommend to the Board on the terms of the specific remuneration package of each executive Director and senior management (adopted the approach under code provision B.1.2(c)(ii)); and to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the 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 Sze Keung, 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 for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as its code for securities transactions by the Directors. 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 6 January 2020, the Company offered to issue senior notes in an aggregate principal amount of USD200 million with a coupon rate of 12.95% per annum (the "**USD 2022 Notes**"). The USD 2022 Notes are denominated in United States dollars and listed on the Stock Exchange and the Singapore Exchange Securities Trading Limited (the "**Singapore Exchange**") on 15 January 2020. The USD 2022 Notes carry interest at a coupon rate of 12.95% per annum, payable semi-annually in arrears, and will mature on 14 March 2022. The purpose of the issue of the USD 2022 Notes is to refinance the existing indebtedness of the Group, including payment in connection with the repurchase of part of the USD 2021 Notes (as defined under the section headed "Purchase, sale or redemption of listed securities of the Company" below) on 17 January 2020, 23 March 2020 and 17 June 2020.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

With respect to the senior notes in the principal amount of USD400 million with a coupon rate of 7% per annum and due in January 2021 (the "**USD 2021 Notes**"), the Company repurchased and cancelled part of the USD 2021 Notes in the aggregate principal amount of USD43,353,000 on 17 January 2020 by a tender offer commenced on 6 January 2020. From March to April 2020, the Company further repurchased an aggregate principal amount of USD43,085,000 and USD17,500,000 of the USD 2021 Notes, and all the repurchased notes were cancelled on 23 March 2020 and 17 June 2020 respectively. After the above-mentioned cancellations, the aggregate principal amount of the USD 2021 Notes which remained outstanding and subject to the terms of the indenture governing the USD 2021 Notes is USD296,062,000 as at 17 June 2020.

Save as disclosed above, there was no purchase, sale or redemption of any of the Company's listed securities by the Company or any of its subsidiaries during the six months ended 30 June 2020.

EVENTS AFTER THE END OF THE REPORTING PERIOD

(a) Issuance of senior notes

On 9 July 2020, the Company issued senior notes in an aggregate principal amount of USD170 million with a coupon rate of 14.25% per annum (the "**USD 2023 Notes**"). The USD 2023 Notes are denominated in United States dollars and listed on the Singapore Exchange on 13 July 2020. The USD 2023 Notes carry interest at a coupon rate of 14.25% per annum, payable semi-annually in arrears, and will mature on 9 January 2023. The purpose of the issue of the USD 2023 Notes is to refinance the existing indebtedness of the Group, including payment in connection with the repurchase of part of the USD 2021 Notes on 13 July 2020 as described below.

(b) Repurchase of senior notes

On 13 July 2020, the Company, through a tender offer, successfully repurchased part of the USD 2021 Notes in an aggregate principal amount of USD119,992,000. After the cancellation of the repurchased USD 2021 Notes on 13 July 2020, the aggregate principal amount of the USD 2021 Notes which remained outstanding and subject to the terms of the indenture governing the USD 2021 Notes is USD176,070,000 as at 13 July 2020. Please refer to the announcements of the Company dated 29 June 2020, 30 June 2020, 10 July 2020 and 14 July 2020.

On 20 August 2020, the Company further repurchased and cancelled part of the USD 2021 Notes in an aggregate principal amount of USD20,000,000. As at 20 August 2020, the outstanding principal amount of the USD 2021 Notes was USD156,070,000. Please refer to the announcement of the Company dated 21 August 2020.

(c) Subscription for shares of Ganglong China Property Group Limited

On 14 July 2020, the Group subscribed for 20,000,000 shares of Ganglong China Property Group Limited at the subscription price of HK$3.93 per share in its global offering for the purpose of listing on the Stock Exchange. The total consideration paid by the Company is approximately HK$79,393,000. Please refer to the announcements of the Company dated 3 July 2020 and 14 July 2020 for further details.

INTERIM DIVIDEND

The Board resolved not to declare any interim dividend for the six months ended 30 June 2020.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.com.hk) and the Company (www.gwtd.com.hk). The interim report of the Group for the six months ended 30 June 2020 containing all the information required by the Listing Rules will be despatched to shareholders of the Company and published on the above websites in due course.

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

Hong Kong, 28 August 2020

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. Wong Cho Kei, Bonnie and Mr. Li Sze Keung as Independent Non-Executive Directors.