

**GOLDEN WHEEL TIANDI HOLDINGS COMPANY LTD:
MAY INVESTORS EXPECT ANOTHER CALL TO ARMS ?**

It is going to be very interesting to speculate as to how long it will take before Golden Wheel Tiandi Holdings Company Ltd () (Code: 1232, Main Board, The Stock Exchange of Hongkong Ltd) determines to pass round the begging bowl, once again.

This Company, on March 11, brought out its Annual Results in respect of the Financial Year, ended December 31, 2012, and, on close inspection of this Report, it appears, strongly, that Management will have to find some more money – perhaps in somewhat of a hurry, too.

Golden Wheel went public on the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) on December 31, 2012, with trading in the shares of the Company, commencing on Wednesday, January 16, 2013.

The Company made a Global Offering of 450 million, \$US0.01 Shares at an Indicative Price Range Per Share of between \$HK1.38 and \$HK1.72.

The **Initial Public Offering (IPO)** was well received, by all accounts, but the share price was struck at only \$HK1.68, a little below the top (hoped-for) price.

Today, the share price is about \$HK1.38 – which was the minimum price that Management had been willing to accept at the time of the IPO, according to the Global Offering Prospectus.

This Company is engaged in developing residential and commercial properties in the PRC, focusing on projects in Jiangsu and Hunan.

Page 125 of the Global Offering Prospectus explains the Company's business, thusly:

'We are an integrated commercial and residential property developer, owner and operator with a proven track record in China. We focus on developing projects in Jiangsu and Hunan provinces that are physically connected or in close proximity to metro stations or other transportation hubs. Examples of such projects are our Golden Wheel International Plaza, Golden Wheel Time Square, Golden Wheel New Metro and Golden Wheel Star Plaza, which, together, accounted for approximately 55.1% of the total GFA of all of our completed properties and properties under development as of 30 September 2012.

'We were founded in 1994 by our chairman, Mr. Wong Yam Yin (), a prominent overseas Chinese with over 30 years of business experience in Asia including China, and we have a well-established operating history in China under the leadership of our chief executive officer, Mr. Wong Kam Fai (), since the inception of the business. Mr. Wong Kam Fai graduated in 1993 from the University of New South Wales in Australia and holds senior membership positions in various real estate and business associations in China and Hong Kong.

'We believe that our prudent strategy is instrumental to our long-term business growth, which is attributable to our focus on a business model comprising property development and

leasing and operational management, in-house expertise in operation and management of centrally located commercial developments, and a disciplined financial management strategy.

‘Our business model comprises (i) the sale of our commercial and residential properties and (ii) the leasing and operational management of commercial properties owned by us or third-parties. We strategically retain long-term ownership of selected shopping malls for recurring rental income and long-term financial strength and sell a mix of offices, residential properties and hotel-style apartments for capital growth. In terms of the total GFA of our completed properties and properties under development as of 30 June 2012, our property development business and property leasing and operational management business accounted for 55.2% and 44.8%, respectively. In terms of our total revenue for the six months ended 30 June 2012, our property development business and property leasing and operational management business accounted for 92.8% and 7.2%, respectively.’

The IPO netted Golden Wheel about \$HK695.26 million, that amount of money, earmarked for the following three purposes:

1. About 50 percent – \$HK347.63 million – ‘to finance new projects, including the land acquisitions and preliminary construction costs of potential development projects ...’;
2. About 40 percent – \$HK278.10 million – ‘to finance the development of the Group’s projects under development ...’; and,
3. About 10 percent – \$HK69.53 million – to be used as Working Capital.

Golden Wheel, unlike ... [CLICK TO ORDER FULL ARTICLE](#)

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