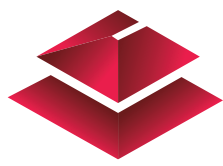


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首創置業股份有限公司

BEIJING CAPITAL LAND LTD.

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2868)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2015

FINANCIAL HIGHLIGHTS

For the six months ended 30 June 2015

Revenue	RMB5,447,244,000
Gross profit	RMB739,165,000
Profit attributable to equity holders of the Company	RMB503,293,000
Earnings per share	RMB25 cents

The board has resolved not to declare any interim dividend in respect of the six months ended 30 June 2015.

The board of directors (“the Board”) of Beijing Capital Land Ltd. (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2015 and comparative figures of 2014, which have been prepared in accordance with the CAS.

The 2015 consolidated interim financial information of the Group has not been audited but has been reviewed by the Audit Committee and approved by the Board of the Company on 10 August 2015.

CONSOLIDATED INCOME STATEMENTS

(All amounts in thousands of units of RMB unless otherwise stated)

		Six months ended 30 June 2015 Unaudited	Six months ended 30 June 2014 Unaudited
	Note		
Revenue	3	5,447,244	4,519,333
Less: Cost of sales	3	(4,389,373)	(3,224,685)
Taxes and surcharges	4	(402,804)	(304,076)
Selling and distribution expenses		(291,948)	(201,726)
General and administrative expenses		(179,858)	(192,731)
Financial income – net		57,581	131,869
Asset impairment losses		(93,443)	(48,004)
Add: Gains/(Losses) arising from changes in fair value		1,081,321	(75,496)
Investment income		148,233	703,343
Including: Share of profit of associates and joint ventures		69,208	89,691
Operating profit		1,376,953	1,307,827
Add: Non-operating income		78,724	2,883
Including: Gain on disposal of non-current assets		176	–
Less: Non-operating expenses		(29,099)	(32,686)
Including: Loss on disposal of non-current assets		–	–
Total profit		1,426,578	1,278,024
Less: Income tax expenses	6	(415,512)	(270,235)
Net profit		1,011,066	1,007,789
Attributable to equity holders of the Company		503,293	661,130
Attributable to non-controlling interest		507,773	346,659
Earnings per share for profit attributable to the equity holders of the Company	7		
– Basic earnings per share (RMB Yuan)		0.25	0.33
– Diluted earnings per share (RMB Yuan)		0.25	0.33

CONSOLIDATED INCOME STATEMENTS (Continued)*(All amounts in thousands of units of RMB unless otherwise stated)*

	Six months ended	Six months ended
	30 June 2015	30 June 2014
<i>Note</i>	Unaudited	Unaudited
Net profit	1,011,066	1,007,789
Other comprehensive income for the period, net of tax	8,671	(676,187)
Items that may be reclassified to profit or loss	8,671	(676,187)
– Changes in fair value of available-for-sale financial assets	6,306	(19,210)
– Recycling of changes in fair value of investment properties recognised in other comprehensive income	–	(657,714)
– Currency translation differences	(9,877)	737
– Effective cash flow hedges	12,242	–
Total comprehensive income for the period	1,019,737	331,602
Attributable to:		
Equity holders of the Company	511,964	(15,057)
Non-controlling interests	507,773	346,659

CONSOLIDATED BALANCE SHEETS

(All amounts in thousands of units of RMB unless otherwise stated)

		30 June 2015	31 December 2014
	Note	Unaudited	Audited
Current assets			
Cash at bank and on hand		12,659,422	13,897,026
Financial assets at fair value through profit or loss		291,927	162,863
Notes receivable		–	4,113
Accounts receivable	9	704,011	946,333
Advances to suppliers		263,271	230,710
Interest receivable		1,520	3,564
Dividends receivable		26,813	9,825
Other receivables		3,318,314	1,295,407
Inventories		57,045,915	48,768,112
Assets classified as held for sale		9,921	202,664
Other current assets		2,156,846	1,823,749
Total current assets		76,477,960	67,344,366
Non-current assets			
Available-for-sale financial assets		91,828	63,420
Long-term receivables		1,777,033	562,024
Long-term equity investments		3,353,755	2,451,235
Investment properties		8,712,682	7,225,258
Fixed assets		466,513	439,465
Derivative financial assets		29,185	–
Intangible assets		39,038	39,561
Goodwill		172,137	172,137
Long-term prepaid expenses		94,267	79,236
Deferred tax assets		404,775	302,854
Other non-current assets		2,450	–
Total non-current assets		15,143,663	11,335,190
TOTAL ASSETS		91,621,623	78,679,556

CONSOLIDATED BALANCE SHEETS (Continued)

(All amounts in thousands of units of RMB unless otherwise stated)

		30 June 2015	31 December 2014
	<i>Note</i>	Unaudited	Audited
Current liabilities			
Short-term borrowings		7,013,943	5,660,075
Notes payable		33,389	43,845
Accounts payable	<i>10</i>	4,409,671	4,049,518
Advances from customers		13,814,818	11,619,971
Employee benefits payable		64,317	209,795
Taxes payable		1,781,395	2,482,591
Interest payable		254,411	170,041
Dividends payable		283,027	1,055,671
Other payables		1,510,158	2,554,107
Current portion of non-current liabilities		9,388,327	5,919,603
Liabilities classified as held for sale		–	49,169
Total current liabilities		38,553,456	33,814,386
Non-current liabilities			
Long-term borrowings		23,462,460	17,731,362
Debentures payable		6,195,868	3,217,112
Long-term payables		660,250	1,530,000
Deferred tax liabilities		1,243,453	969,718
Financial derivation liabilities		–	3,452
Total non-current liabilities		31,562,031	23,451,644
Total liabilities		70,115,487	57,266,030
Owners' equity			
Paid-in capital		2,027,960	2,027,960
Capital surplus		580,758	706,109
Other comprehensive income		589,805	581,134
Surplus reserve		360,628	360,628
Undistributed profits		5,440,604	5,444,301
Total equity attributable to equity holders of the Company		8,999,755	9,120,132
Non-controlling interest		12,506,381	12,293,394
Total owners' equity		21,506,136	21,413,526
TOTAL LIABILITIES AND OWNERS' EQUITY		91,621,623	78,679,556

(All amounts in thousands of units of RMB unless otherwise stated)

NOTES:

1. BASIS OF PREPARATION

The financial statements were prepared in accordance with the Basic Standard and specific standards of the Accounting Standards for Business Enterprises issued by the Ministry of Finance on 15 February 2006, and the Application Guidance for Accounting Standards for Business Enterprises, Interpretations of Accounting Standards for Business Enterprises and other relevant regulations issued thereafter (hereinafter collectively referred to as the “Accounting Standards for Business Enterprises” or “CAS”).

The financial statements were prepared in basis of going concern.

2. SEGMENT INFORMATION

The reportable segments of the Group are the business units that provide different products or service, or operate in different areas. Different businesses or areas require different marketing strategies, the Group, therefore, separately manages the production and operation of each reportable segment and values their operating results respectively, in order to make decisions about resources to be allocated to these segments and to assess their performance.

The Group identified six reportable segments as follows:

- Beijing segment, which is mainly engaged in the property development and sales in Beijing region.
- Tianjin segment, which is mainly engaged in the property development and sales in Tianjin region.
- Chengyu segment, which is mainly engaged in the property development and sales in Chengdu and Chongqing region.
- Other segment, which is mainly engaged in the property development and sales in other regions, including Wuxi, Shenyang, Xi'an, Shanghai, Jiangsu, Zhejiang, Hainan etc.
- Investment property segment, which is mainly engaged in the investment property operations.
- Hotel segment, which is mainly engaged in hotel business and providing corresponding services.

Inter-segment transfer prices are measured by reference to sales to third parties. Expenses indirectly attributable to each segment are allocated to the segments based on the proportion of each segment's revenue.

(All amounts in thousands of units of RMB unless otherwise stated)

(1) Segment information for the six months ended 30 June 2015 and as at 30 June 2015 are as follows:

	Property development and sales				Investment properties	Hotel	Unallocated	Elimination	Total
	Beijing	Tianjin	Chengyu	Others					
Revenue from external customers	1,408,650	1,564,051	487,302	1,878,449	66,567	42,225	–	–	5,447,244
Inter-segment revenue	–	–	–	–	–	–	–	–	–
Main operating cost	(1,112,563)	(1,321,182)	(429,779)	(1,486,173)	–	(38,029)	–	–	(4,387,726)
Interest income	185,280	4,545	1,737	59,669	27,250	103	53,342	(199,404)	132,522
Interest expenses	(73,947)	(8,402)	(292)	(28,498)	(43,770)	(21,546)	(117,151)	199,404	(94,202)
Share of (loss)/profit of associates and joint ventures	64,064	(4,848)	–	(433)	2,185	–	8,240	–	69,208
Asset impairment loss	–	(8,631)	–	(84,812)	–	–	–	–	(93,443)
Depreciation and amortization	(3,035)	(549)	(167)	(2,142)	(8,541)	(11,486)	(6,373)	–	(32,293)
Total profit/(loss)	120,074	233,667	55,977	172,086	879,482	(18,970)	(15,738)	–	1,426,578
Income tax expenses	(8,666)	(62,406)	(13,614)	(58,299)	(235,304)	–	(37,223)	–	(415,512)
Net profit/(loss)	111,408	171,261	42,363	113,787	644,178	(18,970)	(52,961)	–	1,011,066
Total of non-current assets (except deferred tax assets and financial assets)	1,765,428	304,697	1,155	666,701	8,712,682	385,608	720,543	(1,263,509)	11,293,305
Total assets	96,427,443	23,744,751	7,866,331	33,038,095	9,362,733	1,390,449	30,696,811	(110,904,990)	91,621,623
Total liabilities	(84,066,023)	(20,395,292)	(5,295,074)	(27,769,290)	(3,237,073)	(1,344,781)	(28,288,176)	100,280,222	(70,115,487)
Long-term equity investments on associates and joint ventures	809,294	537,966	982,724	862,009	161,762	–	–	–	3,353,755
Increase of non-current assets other than long-term equity investments	914,221	33,574	1,190	725	1,520,309	97	15,741	–	2,485,857

For six months ended 30 June 2015, no revenue is generated from overseas transaction or from a single significant customer.

As at 30 June 2015, the Group's non-current assets that located in other countries amounted to RMB6,974,000.

(2) Segment information for the six months ended 30 June 2014 and as at 31 December 2014 are as follows:

(a) Segment information for the six months ended 30 June 2014:

	Property development and sales				Investment properties	Hotel	Unallocated	Elimination	Total
	Beijing	Tianjin	Chengyu	Others					
Revenue from external customers	1,079,148	948,235	1,343,608	977,415	38,547	42,804	89,576	–	4,519,333
Inter-segment revenue	–	–	–	11,321	–	–	–	(11,321)	–
Main operating cost	(521,447)	(622,407)	(1,069,222)	(879,732)	–	(41,668)	–	–	(3,134,476)
Interest income	40,531	3,422	961	4,789	11,321	49	403,679	(290,421)	174,331
Interest expenses	(185,346)	–	(861)	(1,507)	(575)	(3,668)	(139,825)	290,421	(41,361)
Share of (loss)/profits of associates and joint ventures	(5,656)	1,281	–	88,957	5,109	–	–	–	89,691
Asset impairment loss	–	–	–	(48,004)	–	–	–	–	(48,004)
Depreciation and amortization	(7,683)	(569)	(202)	(1,577)	(2,409)	(10,837)	–	–	(23,277)
Total profit/(loss)	690,938	381,585	166,531	(71,319)	25,397	(5,171)	112,511	(22,448)	1,278,024
Income tax expenses	(71,623)	(95,721)	(41,633)	532	(6,349)	–	(63,152)	7,711	(270,235)
Net profit/(loss)	619,315	285,864	124,898	(70,787)	19,048	(5,171)	49,359	(14,737)	1,007,789

(All amounts in thousands of units of RMB unless otherwise stated)

(b) Segment information as at 31 December 2014:

	Property development and sales				Investment properties	Hotel	Unallocated	Elimination	Total
	Beijing	Tianjin	Chengyu	Others					
Total of non-current assets (except deferred tax assets and financial assets)	843,900	147,607	673	519,808	7,225,258	329,410	269,162	(818,137)	8,517,681
Long-term equity investments in associates and joint ventures	646,845	543,096	697,117	404,600	159,577	–	–	–	2,451,235
Increase of non-current assets other than long-term equity investments	3,294	2,232	148	–	3,756,019	162	4,919	–	3,766,774
Total assets	69,457,322	21,083,362	6,819,859	33,970,021	7,552,278	1,195,221	31,564,554	(92,963,061)	78,679,556
Total liabilities	(56,548,796)	(17,668,980)	(4,257,887)	(28,329,872)	(2,460,522)	(1,130,583)	(29,378,018)	82,508,628	(57,266,030)

For the six months ended 30 June 2014, no revenue is generated from overseas transaction or a single significant customer.

As at 31 December 2014, the Group's non-current assets that located in other countries is amounted to RMB7,568,000.

3. REVENUE AND COST OF SALES

	Six months ended 30 June 2015	Six months ended 30 June 2014
Revenue from main operations (a)	5,429,482	4,418,566
Revenue from other operations (b)	17,762	100,767
Total	5,447,244	4,519,333
	Six months ended 30 June 2015	Six months ended 30 June 2014
Cost of sales from main operations (a)	4,387,726	3,134,476
Cost of sales from other operations (b)	1,647	90,209
Total	4,389,373	3,224,685

(All amounts in thousands of units of RMB unless otherwise stated)

(a) Revenue and cost of sales from main operations

	Six months ended 30 June 2015		Six months ended 30 June 2014	
	Main operating revenue	Main operating costs	Main operating revenue	Main operating costs
Sales of properties and related consulting services	5,320,690	4,349,697	4,337,215	3,092,808
Rental revenue from Outlets	66,567	–	38,547	–
Hotel Services	42,225	38,029	42,804	41,668
Total	<u>5,429,482</u>	<u>4,387,726</u>	<u>4,418,566</u>	<u>3,134,476</u>

(b) Revenue and cost of sales from other operations

	Six months ended 30 June 2015		Six months ended 30 June 2014	
	Other operating revenue	Other operating costs	Other operating revenue	Other operating costs
Sales of investment properties	–	–	4,788	3,443
Sales of chemical products	–	–	89,576	86,627
Other operations	17,762	1,647	6,403	139
Total	<u>17,762</u>	<u>1,647</u>	<u>100,767</u>	<u>90,209</u>

4. TAX AND SURCHARGES

	Six months ended 30 June 2015	Six months ended 30 June 2014
Business tax	279,505	220,333
Land Appreciation Tax	84,098	58,613
Other tax	39,201	25,130
Total	<u>402,804</u>	<u>304,076</u>

(All amounts in thousands of units of RMB unless otherwise stated)

5. GROSS PROFIT

	Six months ended 30 June 2015	Six months ended 30 June 2014
Revenue	5,447,244	4,519,333
Less: Cost of sales	(4,389,373)	(3,224,685)
Business tax	(279,505)	(220,333)
Other tax	(39,201)	(25,130)
	<u>739,165</u>	<u>1,049,185</u>
Gross profit	<u>739,165</u>	<u>1,049,185</u>

6. INCOME TAX EXPENSES

PRC income tax is computed according to the relevant laws and regulations in the PRC. The applicable PRC income tax rate is 25% (six months ended 30 June 2014: 25%).

According to the current tax law in Hong Kong, profit tax in Hong Kong is calculated by 16.5% of taxable profits from Hong Kong. Except for several subsidiaries in Hong Kong are subject to Hong Kong profits tax, other subsidiaries in Hong Kong have no Hong Kong taxable profits.

Withholding income tax should be charged against income from taxable dividends of non-resident enterprises in mainland China and investments disposal in mainland China with the tax rate of 5%-10% according to the relevant laws and regulations in the PRC.

The amount of taxation charged to the consolidated income statement represents:

	Six months ended 30 June 2015	Six months ended 30 June 2014
Current income tax	179,390	209,840
Deferred income tax	<u>236,122</u>	<u>60,395</u>
Total	<u>415,512</u>	<u>270,235</u>

(All amounts in thousands of units of RMB unless otherwise stated)

Reconciliations from income tax calculated based on the applicable tax rates and total profit presented in the consolidated financial statements to the income tax expenses are listed below:

	Six months ended 30 June 2015	Six months ended 30 June 2014
Total profit	<u>1,426,578</u>	<u>1,278,024</u>
Income tax expenses calculated at applicable tax rates (25%)	356,645	319,506
Share of net profit or loss of joint ventures and associates under equity method	(17,302)	(22,423)
Expenses, costs and losses not deductible for tax purposes	1,587	566
Profit not subject to tax	(53,788)	(175)
Deductible temporary differences not recognized previous year	(42,217)	(80,700)
Distribution eligible for tax deduction (i)	(10,643)	(31,780)
Deductible losses for which no deferred income tax asset was recognized	131,207	77,943
Impairment provision for which no deferred income tax asset was recognized	11,028	–
Withholding income tax at different tax rate	–	3,563
The influence of lower corporate income tax rate	(10,970)	–
Tax payment of previous year	49,965	–
Others	–	3,735
Income tax expenses	<u>415,512</u>	<u>270,235</u>

(i) Such amount represents tax deductible interest expenses on equity instruments issued by subsidiaries.

(All amounts in thousands of units of RMB unless otherwise stated)

7. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the consolidated net profit attributable to equity holders of the parent company by the weighted average number of ordinary shares outstanding during the period:

	Six months ended 30 June 2015	Six months ended 30 June 2014
Consolidated net profit attributable to equity holders of the parent company	503,293	661,130
Weighted average number of ordinary shares outstanding (<i>thousands</i>)	<u>2,027,960</u>	<u>2,027,960</u>
Basic earnings per share (<i>RMB cents per share</i>)	<u>25</u>	<u>33</u>
Including:		
– Basic earnings per share relating to continuing operations	<u>25</u>	<u>33</u>

Diluted earnings per share are equal to the basic earnings per share since the Company has no dilutive potential ordinary shares during the period.

8. DIVIDENDS

Final dividend for the year ended 31 December 2014 of RMB25 cents per ordinary share based on the Company's total issued number of shares of 2,027,960,000 and amounting to RMB506,990,000 (2014: 2013 dividend RMB22 cents per ordinary share and amounting to RMB446,151,000), was approved by the shareholders at the Annual General Meeting held on 31 March 2015, which was fully paid as at 30 June 2015.

The Board has resolved not to declare any interim dividend in respect of the six months ended 30 June 2015 (For the six months ended 30 June 2014: Nil).

9. ACCOUNTS RECEIVABLE

	30 June 2015	31 December 2014
Accounts receivable	711,011	953,333
Less: provision for doubtful debts	<u>(7,000)</u>	<u>(7,000)</u>
Receivables – net	<u>704,011</u>	<u>946,333</u>

Most sales of the Group are in form of cash and advanced payment, other sales are collected subject to the agreed terms on sales contract.

(All amounts in thousands of units of RMB unless otherwise stated)

The ageing of accounts receivable is analyzed as follows:

	30 June 2015	31 December 2014
Within 1 year	110,014	671,505
1 to 2 years	592,729	273,438
2 to 3 years	251	129
Over 3 years	8,017	8,261
Total	<u>711,011</u>	<u>953,333</u>

As at 30 June 2015, accounts receivable amounted to RMB591,615,000 (31 December 2014: RMB261,621,000) is overdue but not impaired. Accounts receivable amounted to RMB7,000,000 (31 December 2014: RMB7,000,000) is overdue and fully impaired at the amount of RMB7,000,000 (31 December 2014: RMB7,000,000).

The accounts receivable based on their categories is analyzed as follows:

	As at 30 June 2015				As at 31 December 2014			
			Provision for doubtful Debts	% of the provision			Provision for doubtful Debts	% of the provision
	Amount	% of total balance			Amount	% of total balance		
Significant individual amount	636,859	90	–	–	733,004	77	–	–
Others	74,152	10	(7,000)	9	220,329	23	(7,000)	4
Total	<u>711,011</u>	<u>100</u>	<u>(7,000)</u>	<u>1</u>	<u>953,333</u>	<u>100</u>	<u>(7,000)</u>	<u>1</u>

The accounts receivable classified by their categories are analyzed as follows:

	30 June 2015	31 December 2014
Primary land development (i)	636,859	733,004
Property sales	22,526	192,470
Others	51,626	27,859
Total	<u>711,011</u>	<u>953,333</u>

- (i) The amount is due from Land Reserve Centers of Tianjin arising from primary land development cooperated by the Group and Land Reserve Centers of Tianjin in Wuqing District.

(All amounts in thousands of units of RMB unless otherwise stated)

10. ACCOUNTS PAYABLE

The aging analysis of accounts payable is as follows:

	30 June 2015	31 December 2014
Within 1 year	3,288,481	2,154,123
Over 1 year	1,121,190	1,895,395
Total	4,409,671	4,049,518

11. NET CURRENT ASSETS

	30 June 2015	31 December 2014
Current assets	76,477,960	67,344,366
Less: Current liabilities	(38,553,456)	(33,814,386)
Net current assets	37,924,504	33,529,980

12. TOTAL ASSETS LESS CURRENT LIABILITIES

	30 June 2015	31 December 2014
Total assets	91,621,623	78,679,556
Less: Current liabilities	(38,553,456)	(33,814,386)
Total assets less current liabilities	53,068,167	44,865,170

(All amounts in thousands of units of RMB unless otherwise stated)

13. FINANCIAL GUARANTEES

The Group has arranged bank financing for certain customers and has provided guarantees to secure obligations of these customers for repayments.

The Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. These guarantees will be expired when relevant property ownership certificates are lodged with the various banks by the purchasers. As at 30 June 2015, outstanding guarantees amounted to RMB7,028,149,000 (31 December 2014: RMB6,528,320,000).

As at 30 June 2015, expect for the guarantees provided by the Company or certain subsidiaries for short-term borrowings, long-term borrowings, debentures payable Long-term payables and equity instruments, the Group has no other material external guarantee. The Group believes that the guarantees above will not have a significant impact on its financial position.

14. EVENTS AFTER THE BALANCE SHEET DATE

In July 2015, Rosy Capital Global Limited, a wholly-owned subsidiary of the Group through its holding in Beijing Capital Juda, issued guaranteed notes amounted to RMB1,300,000,000. The notes carries a fixed annual interest rate of 5.25% with a maturity period of 3 years, Beijing Capital Juda provided unconditional and irrevocable joint guarantees and Capital Group entered into a Keepwell Deed for the notes.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS AND DIVIDEND

During the first half of 2015, the Group's revenue amounted to RMB5,447,244,000 (first half of 2014: RMB4,519,333,000), up 21% from the same period last year. Operating profit rose 5% year-on-year to RMB1,376,953,000. Profit attributable to equity holders of the Company decreased 24% year-on-year to RMB503,293,000 (first half of 2014: RMB661,130,000). Earnings per share were RMB25 cents (first half of 2014: RMB33 cents), representing a decrease of 24% compared to the first half of 2014. The Board resolved not to declare any interim dividend in respect of the six months ended 30 June 2015.

PROPERTY SALES PERFORMANCE

During the first half of 2015, the total contracted sales area of the projects of the Group amounted to approximately 1,199,000 sq.m, up 64.1% from the same period last year. Total contracted sales amounted to RMB12.12 billion, up 78.9% from the same period last year. Five core cities and Sydney together accounted for approximately 70% of total contracted sales, of which Beijing and Tianjin accounted for 53% and remained the principal contributor to sales. Meanwhile, sales generated from overseas projects increased to 15% of total contracted sales and became a major contributor to the Company's sales performance.

In the first half of the year, the Company built up its own sales team and expanded diversified marketing channels to over 300, a combination which helped optimize all-round marketing strategies to strongly support sales performance. In the second half of the year, the Company will continue to promote homebuyer oriented products and products for homebuyers looking for upgrades, take advantage of the market recovery by accelerating product supply, further enhance comprehensive marketing channels, and strive to achieve a full year sales target of RMB35 billion.

Project	Contracted Sales Area (sq.m.)	Contracted Average Selling Price (RMB/sq.m.)	Contracted Sales Revenue ('000 RMB)
5 Core Cities	822,004	10,216	8,397,877
Ealing, Beijing	47,646	18,533	883,039
Beijing Xanadu	768	102,687	78,830
Beijing Novotown	1,131	17,602	19,912
Beijing Lanyinshan	16,832	18,560	312,390
Enjoyable City	1,126	9,500	10,695
Enjoyable River	23,808	3,731	88,827
Beijing Shunyi Zhaoquanying Project	123,553	11,135	1,375,771
Beijing Nobles Mansion	1,950	22,065	43,018
Tianjin First City	2,992	7,353	22,000
Tianjin Noble City	855	8,201	7,011
Tianjin Fortune Class	17,167	15,891	272,796
Tianjin International Peninsula	164,614	8,340	1,372,927
Tianjin Capital City	102,984	8,380	862,981
Tianjin Cambridge County	42,976	9,375	402,890
Tianjin Xuan Community	37,627	9,998	376,184
Tianjin Grand Canal Milestone	16,899	18,415	311,193
Shanghai Time Flowing In Villa	27,605	22,799	629,346
Chongqing Hong'en International Living District	39,814	10,367	412,763
Chongqing Eco Village	58,037	5,291	307,067
Chongqing Capital City	35,629	5,935	211,452
Chengdu First City	690	8,311	5,736
Chengdu Wanjuanshan	9,639	5,159	49,731
Chengdu Eco Village	47,661	7,161	341,319

Project	Contracted	Contracted	Contracted
	Sales Area (sq.m.)	Average Selling Price (RMB/sq.m.)	Sales Revenue (‘000 RMB)
Other Regions	357,722	10,232	3,660,358
Shenyang First City	5,221	7,063	36,871
Shenyang Qipan Hills First Villa	3,399	6,547	22,254
Shenyang Eco Village	23,821	4,948	117,857
Wuxi Gentle House	2,338	6,522	15,249
Wuxi Joyous House	10,952	8,055	88,217
Jiangyin Auspicious House	8,632	5,893	50,868
Xi’an First City	47,895	5,831	279,251
Zhenjiang Joyous House	20,854	3,693	77,006
Hainan Integrated Outlets Project	12,070	8,981	108,407
Qingdao Central Park No. 1	9,825	7,330	72,014
Qingdao Xiangmi Lake	8,344	6,402	53,420
Yantai Sunny Chief Yard	42,001	6,113	256,744
Qingdao Airport International Center	7,640	8,358	63,858
Huzhou Joyous House	9,814	6,685	65,604
Kunshan Integrated Outlets Project	42,023	6,702	281,636
Kunshan Eastern Mystery	21,493	11,336	243,630
Project North Rocks, Australia	40,000	18,120	724,800
Project Merrylands, Australia	14,618	27,805	406,460
Project Mega, Australia	26,782	25,996	696,212
Car Parking Space	19,643	3,037	59,656
Total	1,199,369	10,104	12,117,890

COMMERCIAL PROPERTY

The first half of 2015 the Company saw robust performance in commercial property business. Essentially, three outlet projects located in Fangshan, Wanning and Huzhou introduced over 80 new brands, and recorded total retail sales of RMB1.04 billion, up 78.9% from the same period last year. Also, the Company's Kunshan Outlet Project is expected to launch within the year.

During the period under review, Beijing Capital Juda, the Company's red-chip listing platform which aims to develop commercial property, completed acquisition of Xi'an project. In July, Beijing Capital Juda successfully acquired an outlet project in Nanchang, marking a significant step in the outlets business. In the same month, Beijing Capital Juda successfully issued 3 years RMB notes in a principal amount of RMB1.3 billion with a coupon rate of 5.25%, and was rated BBB grade by Fitch. Beijing Capital Juda successfully exhibited its function as an overseas listing perform. In the future, riding on the advantages of a well-positioned platform with flexible capital operations, Beijing Capital Juda's outlets business will continue to ramp up and expand into more targeted cities across the country.

HOTEL OPERATIONS

During the first half of 2015, the Company's Holiday Inn Central Plaza achieved stable operating performance as a result of improved service quality and expanded client base. As of 30 June 2015, the Company recorded accumulated revenue from hotel operations of RMB42,225,000 and an average occupancy rate of 73%.

PROPERTY DEVELOPMENT

In the first half of 2015, the Company, together with its joint ventures and associated companies, completed construction of projects with an aggregate GFA of approximately 824,000 sq.m..

Project	Type	Approximate Completed GFA (sq.m.)	Attributable Interest
Tianjin Cambridge County Phase 1	Residential	36,636	100%
Tianjin Capital City Phase 1	Residential	49,610	100%
Qingdao Sunny Xiangmi Lake Phase 2	Residential	89,782	100%
Kunshan Eastern Mystery Phase 1 & 2	Residential	52,666	51%
Chongqing Eco Village Phase 1	Residential	260,937	28.2%
Beijing Novotown Phase 2	Residential	88,207	100%
Kunshan Integrated Outlets Project – Residential Phase 2 and Phase 4	Residential	195,834	100%
Kunshan Integrated Outlets Project – Commercial	Commercial	50,703	100%
		<u>824,375</u>	

LAND BANK

In the first half of 2015, domestically, the Company took advantage of the Beijing-Tianjin-Hebei integration initiative to increase land investments in Beijing and Tianjin, underpinning the Company's leading position in the two regions. In the meantime, the Company also actively expanded into overseas markets. During the period under review, the Company successfully acquired total GFA of 1.89 million sq.m. of supreme land plots in core cities including Beijing, Tianjin and Chengdu, with corresponding land investment reaching RMB14.3 billion. Notably, riding on the synergies with its parent company Beijing Capital Group, the Company acquired the F1 and B2 projects in the Yongfeng High and New Technology Industrial Base in Haidian District, Beijing, with a total GFA of approximately 500,000 sq.m.. With those two projects in the pipeline, the Company will strive for more growth potential by adopting an innovative development model of industrial real estate, and building competitive advantages that differentiate the Company from its peers. In addition, the Group has deepened cooperation with renowned Australian developer Dyldam and invested 3 more residential projects in Sydney with a total GFA of 130,000 sq.m..

As at 30 June 2015, the Company possessed a land bank with an aggregate GFA of 11.81 million sq.m., and a total above ground GFA of 9.18 million sq.m.. The aggregate GFA attributable to the Company's equity interests was 8.93 million sq.m., and the ground GFA attributable to the Company's equity interests was 7.01 million sq.m.. Of the total land bank, approximately 91% is for property development, 8% is for investment properties, and 1% is for hotel. The existing land bank is considered to be sufficient for the Group's development in the coming three years.

No.	Project	Project Name	Location	Type	Attributable Interest	Total GFA of Land Bank (sq.m.)	Total Saleable GFA of Land Bank (sq.m.)
Hotel Properties							
1	Holiday Inn Central Plaza		Xicheng District, Beijing	Hotel	100%	50,712	38,140
2	InterContinental Financial Street Beijing		Xicheng District, Beijing	Hotel	34%	58,161	42,900
Investment Properties							
3	Beijing Capital Outlets		Chaoyang District, Beijing	Commercial	100%	170,651	130,751
4	Huzhou Capital Outlets		Taihu Lake Resort, Huzhou, Jiangsu Province	Commercial	100%	185,146	175,400
5	Hainan Capital Outlets		Liji Town, Wanning District, Hainan Province	Commercial	55%	103,180	100,879

No.	Project	Project Name	Location	Type	Attributable Interest	Total GFA of Land Bank (sq.m.)	Total Saleable GFA of Land Bank (sq.m.)
6	Kunshan Capital Outlets		The East New Town, Kunshan, Jiangsu Province	Commercial	100%	101,300	101,300
7	Xi'an Capital Outlets		Economic & Technological Development Zone, Xi'an, Shaanxi Province	Commercial	92.56%	50,000	50,000
8	Sunshine Building		Xicheng District, Beijing	Commercial/ Office	35%	52,095	34,163
9	Lize Financial Business District Project		Fengtai District, Beijing	Commercial/ Office		253,990	188,000
Property Development							
10	Beijing Yuyuantan Project	The Reflections	Haidian District, Beijing	Residential	100%	12,331	12,048
11	Beijing Hujialou Project	Xanadu	Chaoyang District, Beijing	Residential/ Commercial	100%	31,134	22,938
12	Beijing Huang Xin Zhuang Project	Ealing	Fangshan District, Beijing	Residential	95%	168,283	143,853
13	Beijing Miyun Yun Feng Shan Zhuang Project	Beijing Landscape Villa	Miyun District, Beijing	Residential	100%	127,865	116,408
14	Beijing Changyang Town Project	Ballet Town	Fangshan District, Beijing	Residential	100%	6,127	5,393
15	Beijing Changyang Land No. 4 Project	Novotown	Fangshan District, Beijing	Residential/ Commercial	100%	6,230	3,799
16	Beijing Daxing Sun Village Project	Enjoyable City	Daxing District, Beijing	Residential/ Apartment/ Commercial	100%	52,998	49,016
17	Beijing Pinggu Daxingzhuang Project	Enjoyable River	Pinggu District, Beijing	Residential/ Commercial	10%	11,128	6,640
18	Beijing Zhaoquanying F1-01 Project	Passion World	Shunyi District, Beijing	Apartment/ Commercial	100%	35,640	26,960
19	Beijing Zhaoquanying F02 Project	Enjoyable Bay	Shunyi District, Beijing	Residential/ Apartment/ Commercial	100%	110,601	66,009
20	Beijing Zhaoquanying F04 Project	Enjoyable Trees	Shunyi District, Beijing	Residential/ Apartment	100%	135,762	68,514
21	Lize Financial Business District Project		Fengtai District, Beijing	Commercial/ Office		179,786	168,000

No.	Project	Project Name	Location	Type	Attributable Interest	Total GFA of Land Bank (sq.m.)	Total Saleable GFA of Land Bank (sq.m.)
22	Beijing Fangshan Gaojiao Park Project	Nobles Mansion	Fangshan District, Beijing	Residential/ Apartment/ Commercial	100%	169,234	154,106
23	Beijing Haidian Taipingzhuang Project		Haidian District, Beijing	Residential/ Apartment	25%	22,041	16,136
24	Shunyi New Town Block No. 17		Shunyi District, Beijing	Residential/ Commercial	100%	159,612	127,584
25	Shunyi Renhe Town Project		Shunyi District, Beijing	Apartment/ Commercial	14.55%	148,307	109,807
26	Beijing Zhaoquanying F02-01 Project		Shunyi District, Beijing	Apartment/ Commercial	100%	48,155	34,555
27	Shunyi Nan Fa Xin Project (Block No. 26 in Shunyi New Town)		Shunyi District, Beijing	Apartment/ Commercial	12.5%	297,467	206,707
28	Haidian Yongfeng Industrial Base Project Plot F1		Haidian District, Beijing	Residential/ Apartment/ Commercial/ Office	100%	286,377	208,702
29	Haidian Yongfeng Industrial Base Project Plot B2		Haidian District, Beijing	Apartment/ Commercial/ Office	50%	191,500	149,376
30	Tianjin Banshan Project	Tianjin First City	Tanggu District, Tianjin	Residential/ Commercial	100%	25,598	5,789
31	Tianjin Huaming Project	Noble City	Dongli District, Tianjin	Residential/ Apartment/ Commercial	40%	69,945	69,945
32	Tianjin Xiqing Project	Landing House	Xiqing District, Tianjin	Residential/ Office	40%	17,100	17,100
33	Tianjin Shuangang 121 Project	Fortune Class	Jinnan District, Tianjin	Residential/ Apartment/ Commercial/ Office	55%	92,230	92,230
34	Tianjin Shuangang 122 Project	Tianjin – A-Z Town	Jinnan District, Tianjin	Residential	55%	20,101	19,207
35	Tianjin Wuqing Project	International Peninsula	Wuqing District, Tianjin	Residential/ Commercial/ Office/Hotel	100%	306,396	306,396

No.	Project	Project Name	Location	Type	Attributable Interest	Total GFA of Land Bank (sq.m.)	Total Saleable GFA of Land Bank (sq.m.)
36	Tianjin Eco-city Project	Cambridge County	Binhai New District, Tianjin	Residential	100%	9,894	9,894
37	Tianjin Hongni River Project	Tianjin Capital City	Jinnan District, Tianjin	Residential/ Commercial	100%	345,813	235,813
38	Tianjin Lishuang Road Project	Xuan Community	Jinnan District, Tianjin	Residential	100%	157,678	113,968
39	Tianjin Beiyunhe Project	Grand Canal Milestone	Hebei District, Tianjin	Residential/ Apartment/ Commercial	100%	282,308	189,551
40	Tianjin Zhongshanlu Project	Metropolis	Hebei District, Tianjin	Residential/ Commercial/ Office	100%	175,000	124,000
41	Shenyang Shenyang Road Project	Shenyang First City	Hunnan New District, Shenyang, Liaoning Province	Residential/ Apartment/ Office	30%	88,083	49,826
42	Shenyang Yinhe Bay Project	Qipan Hills First Villa	Qi Pan Shan District, Shenyang, Liaoning Province	Residential/ Commercial	50%	404,278	375,925
43	Shenyang Shenzhong Street Project	Shenyang Eco Village	Hunnan New District, Shenyang, Liaoning Province	Residential/ Commercial	100%	595,941	516,566
44	Chengdu Shengli Village Project	Chengdu First City	Chenghua District, Chengdu, Sichuan Province	Residential/ Commercial	100%	14,856	9,835
45	Chengdu Beiquan Road Project	Cittá Villa	Longquanyi District, Chengdu, Sichuan Province	Residential/ Commercial	55%	49,981	0
46	Chengdu SCE Project	Wanjuanshan	Longquanyi District, Chengdu, Sichuan Province	Residential/ Commercial/ Office	55%	103,882	33,404
47	Chengdu Qinglongchang Project	Chengdu Eco Village	Chenghua District, Chengdu, Sichuan Province	Residential/ Commercial	100%	242,711	167,999
48	Chengdu Huaxin Village Project	Galaxy No.1	Jinjiang District, Chengdu, Sichuan Province	Residential/ Commercial	27.78%	271,084	191,540
49	Chengdu P.O. Box 68 Project	The Place No.68	Chenghua District, Chengdu, Sichuan Province	Residential/ Commercial	27.78%	314,433	228,759
50	Xi'an Feng-cheng Road Project	Xi'an First City	Xi'an Economic and Technology Development Zone, Shaanxi Province	Residential/ Commercial/ Office/Hotel	92.56%	590,621	378,707
51	Chongqing Hong'ensi Project	Hong'en International Living District	Jiangbei District, Chongqing	Residential/ Commercial	100%	167,939	52,806

No.	Project	Project Name	Location	Type	Attributable Interest	Total GFA of Land Bank (sq.m.)	Total Saleable GFA of Land Bank (sq.m.)
52	Chongqing Xiyong Project	Chongqing Eco Village	Shapingba District, Chongqing	Residential/ Apartment/ Commercial	28.24%	228,704	121,673
53	Chongqing Jialingchang Project	Chongqing Capital City	Shapingba District, Chongqing	Residential/ Commercial	27.78%	801,561	609,260
54	Shanghai Songjiang Project	Time Flowing In Villa	Songjiang District, Shanghai	Residential/ Commercial	100%	107,072	85,324
55	Shanghai Jiading Project		Jiading District, Shanghai	Residential/ Commercial	60%	298,279	232,806
56	Shanghai Yingpu Street Community Project		Qingpu District, Shanghai	Residential/ Commercial	100%	168,661	120,716
57	Yongfeng Street Community Project		Songjiang District, Shanghai	Residential	28%	93,488	64,282
58	Wuxi Dongting Town Project	Gentle House	Xishan District, Wuxi, Jiangsu Province	Residential/ Commercial	100%	26,712	13,819
59	Wuxi Jichang Road Project	Joyous House	Wuxi New District, Jiangsu Province	Residential/ Commercial	100%	23,992	5,029
60	Zhejiang Huzhou Taihu Project	Huzhou Integrated Outlets Project	Taihu National Tourism Vacation Zone, Huzhou, Jiangsu Province	Residential/ Commercial/ Hotel	100%	600,127	553,987
61	Huzhou Renhuangshan Project	Joyous House	Renhuangshan District, Huzhou, Jiangsu Province	Residential/ Commercial	55%	41,385	33,117
62	Zhenjiang National University Science Park Project	Joyous House	Zhenjiang Technological Development Zone, Jiangsu Province	Residential/ Commercial	100%	37,277	37,277
63	Jiangsu Jiangyin Yuyue Project	Auspicious House	Yushan Bay, Jiangyin, Jiangsu Province	Residential/ Commercial	100%	150,916	132,409
64	Kunshan Jinxi Project	Kunshan Eastern Mystery	Jinxi Town, Kunshan City, Jiangsu Province	Residential/ Commercial/ Hotel	51%	305,088	294,148
65	Kunshan Capital Outlets	Kunshan Integrated Outlets Project	The East New Town, Kunshan, Jiangsu Province	Residential/ Apartment/ Commercial	100%	773,667	559,725
66	Hainan Wanning Project	Hainan Integrated Outlets Project	Liji Town, Wanning, Hainan Province	Residential/ Apartment/ Commercial		195,552	195,552

No.	Project	Project Name	Location	Type	Attributable Interest	Total GFA of Land Bank (sq.m.)	Total Saleable GFA of Land Bank (sq.m.)
67	Qingdao Central Park No. 1 Project	Qingdao Central Park No. 1	Chengyang District, Qingdao, Shandong Province	Residential/ Commercial/ Apartment	100%	23,926	16,336
68	Qingdao Qianqianshu Project	Sunny Xiangmi Lake	Licang District, Qingdao, Shandong Province	Residential/ Commercial	100%	8,402	8,716
69	Qingdao Yangbuzhai Project	Qingdao Central Park No.1 • East Park	Chengyang District, Qingdao, Shandong Province	Residential/ Commercial	100%	25,922	25,922
70	Yantai Sunny Chief Yard Project	Sunny Chief Yard	Fushan District, Yantai, Shandong Province	Residential/ Commercial	100%	177,822	177,984
71	Qingdao Chengyang Project	Airport International Centre	Qingdao, Shandong Province	Commercial/ Office	100%	110,984	112,522
72	Project Mega, Australia		Sydney, Australia	Residential		34,699	34,699
Total						<u>11,805,922</u>	<u>9,182,648</u>

EMPLOYEES

At 30 June 2015, the Group employed 1,916 professional staff with an average age of 32.8. In terms of educational level, 70% of employees hold a bachelor degree or above and 14% of employees hold a master degree or above. Employees with intermediate or senior professional titles accounted for 20%.

In the first half of 2015, the Group reinforced its role as a strategic headquarters, proactively adapted to industry and market changes, undertook organizational restructuring, improved organizational efficiency, accelerated growth and increased scale. The company also defined and adopted a new corporate culture in order to fuel business development. At the same time, the Company continued to optimize its performance-based incentive scheme, and also improved the co-investment program which motivates project teams to align their interests with the company. Furthermore, the Company enhanced its talent acquisition process, implemented a leadership training program, and launched a training camp for special talent, all those measures helped upgrade talent structure and fortify the Company's existing teams, paving the way for its development into a world-class organization.

ANALYSIS OF THE BUSINESS ENVIRONMENT

Overview of China's Property Market

During the first half of 2015, facing downward pressure, China's economy slowed. During the period, thanks to a number of policies rolled out by the government to stabilize economic development, China maintained steady macroeconomic growth and started to show positive signs of stabilization and recovery in the second quarter. During the first half of 2015, China's GDP grew 7% year-on-year.

In the first half, the property sector was positively influenced by a series of favorable policies. In March, the Chinese government made it clear in its annual work report that it would take measures to stabilize housing consumption as well as support demand for home buyer oriented products and products for home buyers looking for upgrade. In line with this, to stimulate demand in the property market, a new property policy was rolled out on March 30 which relaxed regulations on tax, and credit and loans. The multiple cuts in interest rate and reserve requirement ratio (RRR) also helped enhance market liquidity, lowering financing costs and providing more funding sources for property companies. As the household registration reform, new urbanization program, and regional co-development have been put on the government's agenda, steady progress has been made. As of the end of June, the downward trend of the property sector since last year has ended, as overall transaction volume and price recorded stabilization and recovery.

According to the National Bureau of Statistics (NBS), during the first half of 2015, investment in China property development increased by 4.6% year-on-year in nominal terms (5.7% after adjusting for inflation) to RMB4,395.5 billion. Of this, investment in residential property was up 2.8% to RMB2,950.6 billion, accounting for 67.1% of total investment in property development. In the first six month GFA under construction of all property developers was 6,375.63 million sq.m., a year-on-year increase of 4.3%. Of the total GFA, 674.79 million sq.m. was for new property developments, down 15.8% year-on-year. Of the total GFA, 329.41 million sq.m. was completed, down 13.8% year-on-year. In the first half, property developers purchased land totaling 98 million sq.m., down 33.8% year-on-year.

During the first half of 2015, the total transaction volume of commodity housing was 502.64 million sq.m., an increase of 3.9% year-on-year. Of this, the GFA of residential property sales rose by 4.5%, the GFA of office property sales declined by 2.4%, and the GFA of retail commercial sales rose by 3.5%. Sales of commodity housing totaled RMB3,425.9 billion, rising by 10% year-on-year with an increased growth rate of 6.9 percentage points. Of this, sales of residential properties rose by 12.9%, sales of office properties fell by 1.8%, and sales of retail commercial properties decreased by 1.2%.

Regional differences in the property industry continued to intensify due to the impact of supply and demand. First-tier cities were more sensitive to favorable policies, and as a result their property markets recovered more than second- and third-tier cities. In terms of transaction volume, all cities recorded a significant increase year-on-year, with first-tier cities showing the biggest improvement. In terms of housing prices, first-tier cities experienced a major upward trend, and second- and third-tier cities continued to dip while third-tier cities continued to see an expanded year-on-year decline.

In terms of products, the 2015 government work report stated that the government would encourage demand for home buyer oriented products and products for home buyers looking for upgrade to promote the steady and healthy development of the property market. Homebuyer oriented products proved to be a major part of our sales. Being an essential part of consumption housing, demand for products for home buyers looking for upgrade recorded a rapid increase and became an important driver for the industry rebound in the first half of 2015, as the market was stimulated by the relaxed reserve and credit policies.

Looking ahead to the second half of 2015, the industry is expected to pick up with a gradually improved supply and demand ratio, moving towards sustained steady growth. However, this upward macro trend is still vulnerable. Relaxation of both economic and industrial policies will continue as the development of long-term mechanism will be pushed forward. The marketization of the whole industry will be strengthened to further promote market demand. Concurrently, positive effects from new urbanization and the regional co-development strategy will continue simulating the property market. As a result, property companies rooted in such regions are expected to benefit more from favorable policies and access to integrated resources. The local property market will embrace an important development opportunity.

Pan Bohai Rim Region Property Market Overview

During the first quarter of 2015, the property market of the Pan Bohai Rim Region, centering around Beijing and Tianjin, continued a downward trend similar to that of last year. It was particularly sensitive to the favorable policies rolled out on 30 March, and rebounded in the second quarter with three consecutive monthly rise as of the midyear. We expect that the property market around Beijing and Tianjin will continue to pick up in the second half and will be on track for stable growth.

In April, the “Beijing-Tianjin-Hebei integration initiative” was approved and an investment target of RMB42 trillion within six years was set to support the region’s long-term economic development. We believe the property industry in this region will continue to present more opportunities. Firstly, the integration of Beijing, Tianjin and Hebei will complement each other in resources, enhance synergies, release greater potential for economic development, and improve regional consumption. Secondly, the integration will boost all-round development in regional transportation, infrastructure, cultural and commercial facilities, thus driving housing demand and prices in areas surrounding Beijing and Tianjin. In addition, industrial properties and other type of property models will play an important role in fostering regional synergy and new urbanization, bringing new development opportunities for property companies. The Company has a large high quality land bank and primary land development business in Beijing and Tianjin and is on track to become one of the biggest beneficiaries of the “Beijing-Tianjin-Hebei integration initiative.”

YANGTZE RIVER DELTA REGION PROPERTY MARKET OVERVIEW

The Yangtze River Delta region is centered on Shanghai, with cities including Nanjing and Hangzhou as sub-centers. Being highly sensitive to the favorable property policies, the property sector in the region bottomed out in the first half of 2015 and continued to pick up momentum. Housing prices in Shanghai have risen for six consecutive months, and the trend of price drops in Nanjing, Hangzhou and other regions came to an end during the period, followed by a quarter-on-quarter increase.

The continued integration of the Yangtze River Delta region fueled industry demand. In April, the Commercial Departments of Shanghai, Jiangsu, Zhejiang, Anhui and Jiangxi provinces jointly held a meeting on “Promoting Regional Market Integration and Development in the Yangtze River Delta Region in 2015” where they planned the outline for the integration and development of the Yangtze River Delta region in order to help further deepen regional coordination. In the near future, the standardization of logistics and the transportation of agricultural products will be the new highlights of this regional integration. Meanwhile, urbanization in the region recorded major progress in the first half of the year as Anhui province and Jiangsu province, together with several cities and towns, were chosen as pilot regions for new urbanization initiatives. This is expected to have a strong spillover effect on neighboring regions, which will benefit the property industry.

MID-SOUTH WESTERN REGIONS PROPERTY MARKET OVERVIEW

In comparison with the Pan Bohai Region and the Yangtze River Delta Region that are led by top-tier cities, second-tier cities in the west such as Chengdu and Chongqing did not see a similar recovery in property prices. Housing prices in Chengdu had seen subsequent increases for three consecutive months while the prices in Chongqing remained in a phase of volatile adjustment. However, in terms of transaction volume, the Chengdu and Chongqing region as a whole has shown a strong momentum of recovery.

In addition to the improvement of transportation networks and the strengthening of economic and cultural integration, the Chengdu and Chongqing regions received a boost via another catalyst. In March, the National Development and Reform Commission, the Ministry of Foreign Affairs and the Ministry of Commerce jointly published “Vision and proposed actions outlined on jointly building Silk Road Economic Belt and 21st-Century Maritime Silk Road” (“One Belt One Road”). Under the planning of “One Belt One Road,” Chengdu and Chongqing will be prioritized in both social and economic development as the most important cities in the west. As a result, we expect that the property industry will also see much bigger space for development in these two regions going forward.

AUSTRALIA PROPERTY MARKET OVERVIEW

Australia's economy has been in a transformational phase during the last several years. The economic growth driver has shifted from the production, investment and exportation of raw material such as iron ore, to other industries. Australia's economic growth rate is roughly in line with historical trends, which indicates the effectiveness of the Reserve Bank of Australia (RBA)'s interest rate cuts. RBA once again reduced the interest rate in the first half of this year, and the current base rate is at its lowest point in history, which significantly relieves the pressure on households and helps increase their disposable incomes. The low rate also boosts retail sales, property prices as well as the property development sector.

Thanks to its stable economy, advanced education and advantageous natural and social environment, Australia has always been a popular choice for property investment. Australia has been easing its immigration control for the last few years in order to fuel economic growth. The Australian government announced the first "AUD5 Million Investment Immigration Program" in May, 2012, which has been attracting more and more people to purchase property in the country. The Australian property market has been an incredibly hot sector in 2015, with significant upward momentum stretching from 2014. All the provincial capital cities in the eastern coastal area saw rapid rises in property prices. In the first quarter of 2015, led by cities such as Sydney and Melbourne, property prices in Australia were 0.89% higher than in the last quarter. Notably, housing prices in Sydney rose by over 7% accumulatively in three months. With ongoing population growth, increased demand for education in Australia from overseas, and rising immigration, alongside housing being in short supply, the property market in Sydney is expected to keep rising in the short-to-mid term.

PROSPECTS

In the second half of 2015, it is expected that China's continuous macroeconomic easing and further relaxation of industry regulation will help boost economic growth. The strategy of new urbanization and regional coordinated development will also be further implemented. The construction of a long-term mechanism is on steady track with reform benefits emerging. With market demand stimulating and the upward momentum of the industry resuming, the Group expects a breakthrough in business scale and a promising opportunity for a greater leap in development.

The Group will implement the following development strategies in the second half of 2015:

1. Strengthen land bank investment in core cities and strategic overseas regions to guarantee ample high-quality supply for the year. The Group will consistently push forward the optimization and upgrade of its all-round marketing channels. With the self-owned sales team in full operation, the Group will enhance its management and maintains healthy competition among channels. The Group will also keep optimizing projects' internal incentive and punishment mechanisms by implementing an incentive scheme on a quarterly basis in an effort to guarantee sales performance, and to achieve its annual sales target of RMB35 billion.

2. Focus on investment in core cities and increase the ratio of products supply for homebuyers looking for upgrade. The Group will continuously enhance resource coordination with its parent company Beijing Capital Group so as to acquire core strategic land resources in the primary and secondary land development projects in Beijing's CBD area, projects along the subway stations in Beijing, and the second phase of the Wuqing project in Tianjin. The Group will enlarge the scale of the outlets business with more aggressive project development and acquisitions. Additionally, the Group will continue to deepen projects development in Australia and enhance the synergies between domestic and overseas markets.
3. Promote the construction and application of product standardization system. The Group will unwaveringly enhance product competitiveness in the aspects of marketing, design and cost reduction. Also, the Group will promote the "Lehui Home" community O2O platform and upgrade value-added services for customers in a strategic manner. By jointly establishing the property services company with Vanke to leverage its "Rui Butler" service model, the Group aims to strengthen property management skills and sharpen product competitiveness. The Group will unrelentingly exercise strict cost controls and focus its strategy on the full operation of the strategic centralized procurement platform, and also implement a mechanism of transparent cost management.
4. Leverage on the prime opportunity of monetary policy easing and direct financing, the Group will actively promote domestic bond financing and continue to raise ample and long-term funding at lower cost. The Group will strive for breakthroughs in equity financing, including seeking domestic funding and asset injection opportunities from the parent company and upgrading the overseas financing function of Beijing Capital Juda, the red-chip platform. The Group also intends to bring in major financial institutions to explore new financing channels such as asset securitization and real estate funds. By adopting such capital market innovations, the Group aims to make good use of its inventory assets.

FINANCIAL ANALYSIS

1. Revenue and Operating Results

In the first half of 2015, revenue of the Group was approximately RMB5,447,244,000 (2014 1H: RMB4,519,333,000), representing an increase of 21% from the first half of 2014. The increase in revenue was mainly attributable to the increase in projects completed and occupied during the period.

In the first half of 2015, the Group achieved a gross profit margin after business tax of approximately 14%, representing a decrease of 9 percentage point as compared to 23% in the first half of 2014, mainly attributable to a decrease in proportion of revenue with higher gross profit margin from Beijing region as compared to the first half of 2014.

In the first half of 2015, operating profit of the Group was approximately RMB1,376,953,000 (2014 1H: RMB1,307,827,000), representing an increase of approximately 5% as compared to the first half of 2014.

2. Financial Resources, Liquidity and Liability Position

During the period of review, the Group maintained a healthy liquidity position and a reasonable appropriation of financial resources. As at 30 June 2015, the Group's total assets were RMB91,621,623,000 (31 December 2014: RMB78,679,556,000) and non-current assets were RMB15,143,663,000 (31 December 2014: RMB11,335,190,000); and total liabilities were RMB70,115,487,000 (31 December 2014: 57,266,030,000) of which, current liabilities were RMB38,553,456,000 (31 December 2014: RMB33,814,386,000) and non-current liabilities were RMB31,562,130,000 (31 December 2014: RMB23,451,644,000), and owners' equity reached RMB21,506,136,000 (31 December 2014: RMB21,413,526,000).

The Group has sound liquidity and solvency. Current ratio of the Group as at 30 June 2015 was 1.98 (31 December 2014: 1.99).

As at 30 June 2015, the Group's cash and bank deposit amounted to RMB12,659,422,000 (31 December 2014: RMB13,897,026,000), which represented sufficient cash flow for operations.

Bank borrowings and debentures of the Group as at 30 June 2015 amounted to RMB46,060,598,000 (31 December 2014: RMB32,528,152,000), of which the long-term loan and debentures amounted to RMB29,658,328,000 (31 December 2014: RMB20,948,474,000), which were mainly used to satisfy the capital requirements of the Group's property development projects.

As at 30 June 2015, the Group's net gearing ratio was approximately 155% (31 December 2014: 87%). The net gearing ratio of the Group is calculated by the borrowing net of cash and bank balances divided by total owners' equity.

3. Changes in major subsidiaries, joint ventures and associates

Shanghai Shoupu Real Estate Co., Ltd. (上海首浦置業有限公司), a subsidiary of the Group, was established in January 2015, and 100% of its equity interest was held by the Group.

Shanghai Shouqing Real Estate Co., Ltd. (上海首青置業有限公司), a subsidiary of the Group, was established in January 2015, and 100% of its equity interest was held by the Group.

Beijing Jinyifeng Real Estate Co., Ltd. (北京金億豐置業有限公司), a subsidiary of the Group, was established in March 2015, and 100% of its equity interest was held by the Group.

Beijing Tianzhiying Real Estate Co., Ltd. (北京天智盈置業有限公司), a subsidiary of the Group, was established in March 2015, and 100% of its equity interest was held by the Group.

Tianjin Xingtai Jisheng Real Estate Co., Ltd. (天津興泰吉盛置業有限公司), a subsidiary of the Group, was established in March 2015, and 100% of its equity interest was held by the Group.

Beijing Xujia Real Estate Co., Ltd. (北京旭嘉置業有限公司), a subsidiary of the Group, was established in May 2015, and 100% of its equity interest was held by the Group.

During the period, Beijing Capital Juda Limited (“Capital Juda”), a subsidiary of the Group, issued convertible preference shares to the Group for acquiring 100% equity interest of Xi’an Capital Xinkai Real Estate Development Co., Ltd. (西安首創新開置業有限公司, “Xi’an Xinkai”), a subsidiary of the Group. Upon the completion, the equity interests of Capital Juda and Xi’an Xinkai were held as to 92.56% by the Group.

During the period, Tongchuang Jinlong Real Estate Co., Ltd. (北京同創金龍置業有限公司, “Tongchuang Jinlong”) was held as to 20% of its equity interest by the Group. In the same period, the Group acquired 5% of equity interest in Tongchuang Jinlong. Upon the completion, Tongchuang Jinlong was held as to 25% by the Group.

During the period, the Group acquired 50% of equity interest in Beijing Zhongguancun IC Park Development Co., Ltd. (北京中關村集成電路設計園發展有限責任公司, “ZGC IC Park”), upon the completion, ZGC IC Park became a joint venture of the Group.

During the period, the Group acquired 28% equity interest in Shanghai Songming Real Estate Development Co., Ltd. (上海松銘房地產開發有限公司, “Shanghai Songming”). Upon the completion of acquisition, Shanghai Songming became a joint venture of the Group.

During the period, the Group acquired 28% equity interest in Shanghai Henggu Real Estate Development Co., Ltd. (上海恒固房地產開發有限公司, “Shanghai Henggu”). Upon the completion of acquisition, Shanghai Henggu became a joint venture of the Group.

During the period, the Group subscribed 22.50% of the intermediate fund units of Zhuhai Hengqin Ruiyuan Weihua Equity Investment Centre (Limited Partner) (珠海橫琴瑞元偉華股權投資中心, “ZHWF”). According to the partnership agreement, the Group and other shareholders jointly control the investment and operation strategy of ZHWF, and therefore ZHWF has been classified as a joint venture.

During the period, the Group disposed 40% equity interest in Shanghai Shoujia Real Estate Co., Ltd. (上海首嘉置業有限公司, “Shanghai Shoujia”). Upon the completion of disposal, the Group held as to 60% of equity interest in Shanghai Shoujia, and could exercise significant decision-making of Shanghai Shoujia jointly with other shareholder. Hence, Shanghai Shoujia became a joint venture of the Group.

During the period, the Group reached an agreement with the other shareholder of Beijing Capital Qinglv Real Estate (Kunshan) Co., Ltd. (首創青旅置業(昆山)有限公司, “Capital Qinglv”) to exercise significant decision-making jointly. Upon the completion of amending the article of association, Capital Qinglv became a joint venture of the Group.

4. Entrusted Deposits and Overdue Time Deposits

As at 30 June 2015, the Group did not have any deposits under trusts in financial institutions in the PRC. All of the Group's cash was held in commercial banks in PRC in accordance with applicable laws and regulations. The Group has no bank deposits which are not recoverable upon maturity.

5. Borrowings

As at 30 June 2015, bank borrowings of RMB1,000,000,000 (31 December 2014: Nil) were pledged by equity interests.

As at 30 June 2015, bank borrowings of RMB4,683,400,000 (31 December 2014: RMB2,953,702,000) were secured by certain properties under development.

As at 30 June 2015, bank borrowings of RMB840,000,000 (31 December 2014: RMB570,000,000) were secured by the land use rights and buildings of investment properties.

As at 30 June 2015, bank borrowings of RMB400,000,000 (31 December 2014: RMB400,000,000) were pledged by equity interests and secured by land use rights and buildings.

As at 30 June 2015, bank borrowings of RMB400,000,000 (31 December 2014: RMB497,900,000) were secured by fixed assets and land use rights.

As at 30 June 2015, bank borrowings of RMB4,786,000,000 (31 December 2014: RMB1,050,000,000) were pledged by the equity interests of subsidiaries held and the guaranteed provided by the Group.

As at 30 June 2015, bank borrowings of RMB3,018,970,000 (31 December 2014: RMB2,029,500,000) were secured by the guarantee provided by the Group for its subsidiaries.

As at 30 June 2015, bank borrowings of RMB8,942,810,000 (31 December 2014: RMB7,309,960,000) were secured by the guarantee provided by the Group for its subsidiaries, and secured by certain properties under development of the subsidiaries.

As at 30 June 2015, bank borrowings of RMB1,500,000,000 (31 December 2014: RMB900,000,000) were secured by the guarantee provided by the Group for its subsidiaries and secured by the land use rights of the land under development of the subsidiaries of the Group and pledged by equity interests.

As at 30 June 2015, bank borrowings of RMB1,880,919,000 (31 December 2014: RMB2,311,105,000) were pledged by bank deposits of the Group.

As at 30 June 2015, bank borrowings of RMB65,000,000 (31 December 2014: RMB72,500,000) were pledged by the entire equity interests of and the income arising from primary land development of the Group.

As at 30 June 2015, bank borrowings of RMB2,803,604,000 (31 December 2014: RMB809,070,000) were credit loans obtained by the Group.

As at 30 June 2015, bank borrowings of RMB160,000,000 (31 December 2014: RMB540,000,000) were secured by the guarantee provided by the Group for its subsidiaries, pledged by the income rights of buildings under development of the Group and secured by land use rights and buildings of the Group.

As at 30 June 2015, bank borrowings of RMB400,000,000 (31 December 2014: Nil) were pledged by the income rights of buildings under development of the Group and secured by land use rights and buildings of the Group.

As at 30 June 2015, bank borrowings of RMB770,000,000 (31 December 2014: RMB780,000,000) were secured by the guarantee provided by Capital Group and the Group for its subsidiaries.

As at 30 June 2015, bank borrowings of RMB1,220,000,000 (31 December 2014: RMB1,220,000,000) were secured by the guarantee provided by Capital Group for the Group and secured by land use rights of properties under development of the Group.

As at 30 June 2015, bank borrowings of RMB5,000,000,000 (31 December 2014: RMB5,000,000,000) were secured by the guarantee provided by Capital Group for the Group.

6. Corporate Bonds

In November 2012, Central Plaza Development Ltd. (“Central Plaza”) issued 3-years RMB bonds in a principal amount of RMB2,000,000,000 with a coupon rate of 7.6% per annum, which were guaranteed by certain subsidiaries of the Group including International Financial Center Property Ltd. (“IFC”).

In May 2015, the Group issued 5-years RMB bonds in a principal amount of RMB3,000,000,000 with a coupon rate of 4.58%, which were guaranteed by the Group.

7. Medium Term Note

In February 2014, Central Plaza established a Guaranteed Medium Term Note and Perpetual Securities Programme (the “Programme”), guaranteed by IFC or, as the case may be, the Company, for securities to be issued thereunder. Under the Programme, Central Plaza may offer and issue securities of principal amount of up to USD1,000,000,000.

In February 2014, Central Plaza made a drawdown under the Programme to offer and issue 3-year notes in total principle amount of RMB2,000,000,000 at a coupon rate of 5.75% per annum and 5-year notes of RMB250,000,000 at a coupon rate of 6.875% per annum.

In April 2014, Central Plaza made a drawdown under the Programme to offer and issue 3-year notes in total principle amount of RMB1,000,000,000 at a coupon rate of 5.75% per annum to be consolidated and form a single series with the 3-year notes of RMB2,000,000,000 with a coupon rate of 5.75% per annum issued in February 2014.

8. Equity Instrument

As of 30 June 2015, Central Plaza issued a total amount of USD850,000,000 senior perpetual securities. The securities were guaranteed by certain subsidiaries of the Group including IFC. Such securities have no maturity date and are redeemable at the option of Central Plaza as the issuer. Central Plaza as the issuer may elect to defer distribution with no times limits only if Central Plaza or the Company announce or pay dividend. The securities are classified as equity instrument, where:

In April 2013, Central Plaza issued USD400,000,000 senior Perpetual Capital Securities at a distribution rate of 8.375% per annum. In November 2014, Central Plaza issued USD450,000,000 perpetual securities under the Medium Term Note and Perpetual Securities Programme at a distribution rate of 7.125% per annum.

In December 2013, Minsheng Royal established a Specific Assets Management Plan and raised a total amount of RMB2,200,000,000. Since the Specific Assets Management Plan is set up by its subsidiary as a special purpose entity for financing needs, it is consolidated into the Group. In addition to the subordinated units subscribed for by the Company, the capital raised amounting to RMB 2,010,000,000 was recognised as minority interest in consolidation. In March 2015, the Group declared to redeem the principal of the Specific Assets Management Plan on 20 December 2015 pursuant to the Investment Agreement. Since the timing and responsibility of redemption has been confirmed by the Group, the Specific Assets Management Plan was classified as liabilities.

In June 2014, Minsheng Royal raised a total amount of RMB1,500,000,000. According to the terms of Investment Agreement, the amount of minority interests recognized amounted to RMB1,335,000,000 after deducting the inevitable dividend payable in the foreseeable future.

In December 2014, Minsheng Royal raised a total amount of RMB650,000,000. According to the terms of Investment Agreement, the amount of minority interests recognized amounted to RMB580,125,000 after deducting the inevitable dividend payable in the foreseeable future.

In January 2015, Minsheng Royal raised a total amount of RMB1,080,000,000. According to the terms of Investment Agreement, the amount of minority interests recognized amounted to RMB963,900,000 after deducting the inevitable dividend payable in the foreseeable future.

In January 2015, Tiandi Fangzhong raised a total amount of RMB1,200,000,000. According to the terms of Investment Agreement, the amount of minority interests recognized amounted to RMB1,076,400,000 after deducting the inevitable dividend payable in the foreseeable future.

9. Contingent Liabilities

The Group had arranged bank facilities for certain purchasers of its properties and provided guarantees to secure the repayment obligations of such purchasers. The outstanding balances of guarantees amounted to RMB7,028,149,000 as at 30 June 2015 (31 December 2014: RMB6,482,465,000).

Such guarantees will terminate upon (i) the issuance of the real estate ownership certificate which will generally be available within six months to two years after the Group transfers the ownership of the relevant property to its purchasers; (ii) the completion of the mortgage registration; and (iii) the issuance of the real estate miscellaneous right certificate relating to the relevant property.

As at 30 June 2015, the Group provided guarantees for its subsidiaries' borrowing of RMB17,817,780,000 (31 December 2014: RMB14,058,600,000).

As at 30 June 2015, IFC, a subsidiary of the Group, provided guarantees for the corporate bonds of RMB5,250,000,000 and the Senior Perpetual Capital Securities of USD850,000,000 issued by Central Plaza, a subsidiary of the Group.

As at 30 June 2015, the Group provided guarantee for Minsheng Royal Capital Management Plan of RMB6,440,000,000.

Save as the above, the Group had no other material external guarantee.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial report matters, including the review of the unaudited interim report for the six months ended 30 June 2015.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2015, the Company had not redeemed any of its shares. Neither the Company nor any of its subsidiaries purchased or sold any of the Company's listed securities during the period.

LONG TERM INCENTIVE FUND SCHEME

On 27 September 2007, the Company had adopted the long term incentive fund scheme (the "Scheme") which was subsequently amended on 25 September 2009 and 14 March 2014 respectively. The Scheme is proposed to encourage the directors, supervisors, senior management and core staff members of the Company for closer ties of their personal interests with the interests of the Company and of the shareholders, as well as for alignment of their personal goals with the common goal of the Company.

For the six months ended 30 June 2015, the Scheme had not purchased any Share through the trustee.

CORPORATE GOVERNANCE

During the period from 1 January 2015 to 30 June 2015, the Company has complied with all the code provisions of the “Corporate Governance Code and Corporate Governance Report” as set out in Appendix 14 to the “Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” (the “Listing Rules”).

COMPLIANCE WITH THE CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code which is on terms no less exacting than the required standard set out in the “Model Code for Securities Transactions by Directors of Listed Issuers” (the “Model Code”) in Appendix 10 of the Listing Rules.

All directors have confirmed, following specific enquiry by the Company that they have complied with the required standards set out in the Model Code and the company code throughout the period.

By Order of the Board
Beijing Capital Land Ltd.
Lee Sze Wai
Company Secretary

Hong Kong, 10 August 2015

The Board as of the date of this announcement comprises Mr. Wang Hao (Chairman), Mr. Tang Jun (President) and Mr. Zhang Shengli who are the Executive Directors, Mr. Liu Xiaoguang, Mr. Song Fengjing and Mr. Shen Jianping who are the Non-Executive Directors, Mr. Ng Yuk Keung, Mr. Wang Hong and Mr. Li Wang who are the Independent Non-Executive Directors.