

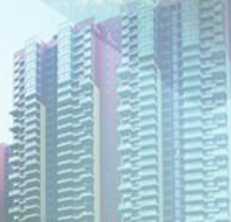


首创置业
BEIJING CAPITAL LAND

创造都市新生活
Create New Urban Life

Beijing Capital Land Ltd. 2868.HK Interim Results 2017

August 2017



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Results Summary

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Business Highlights

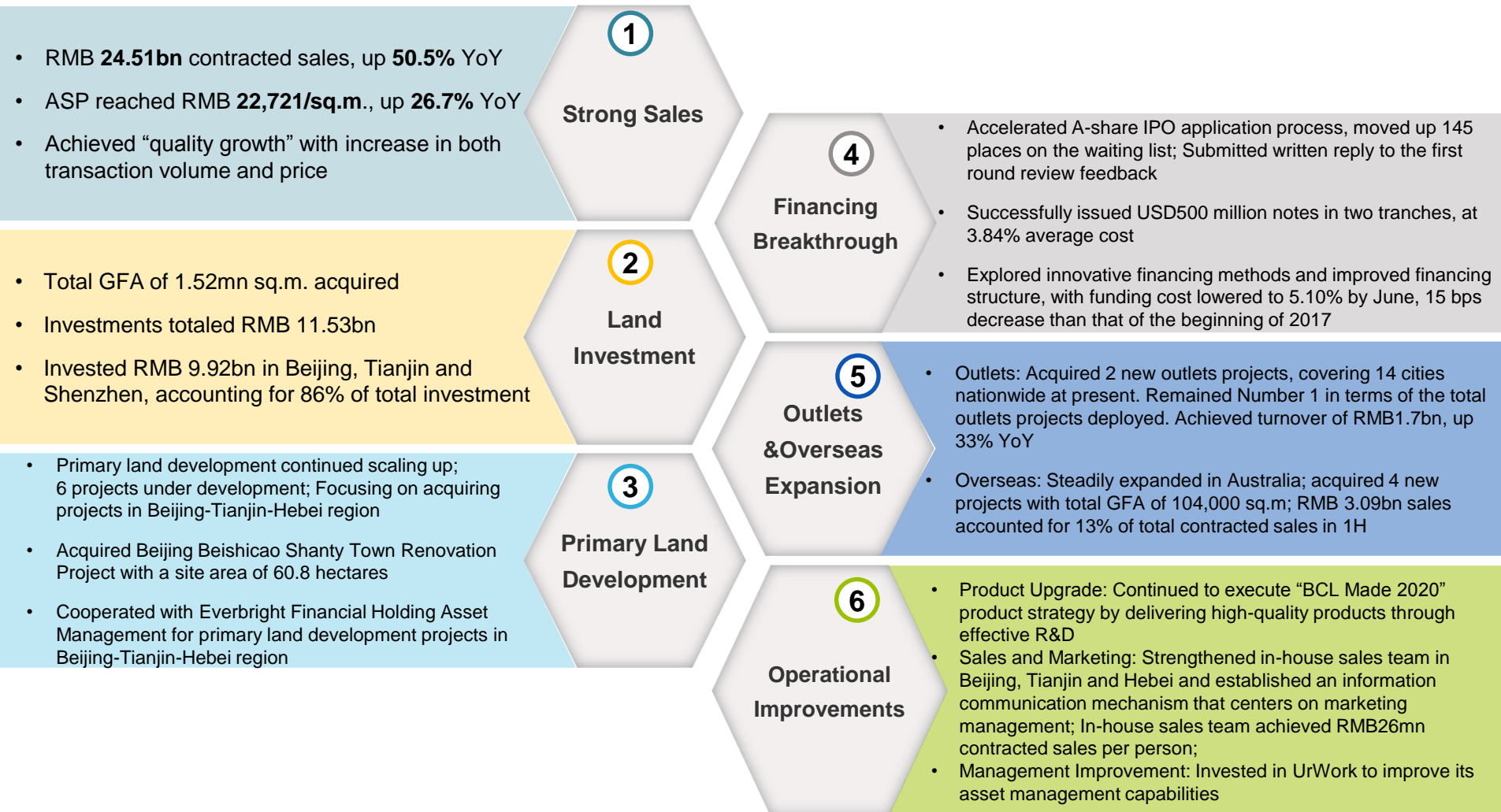
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2H 2017 Outlook

Section 1

Results Summary

1H 2017 Results Highlights



Financial Results

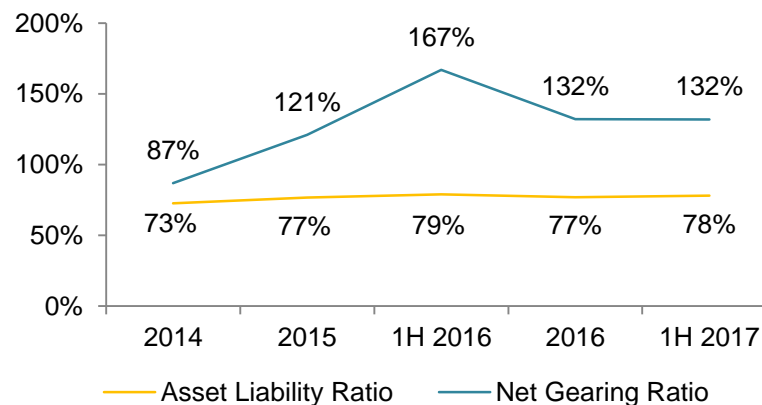
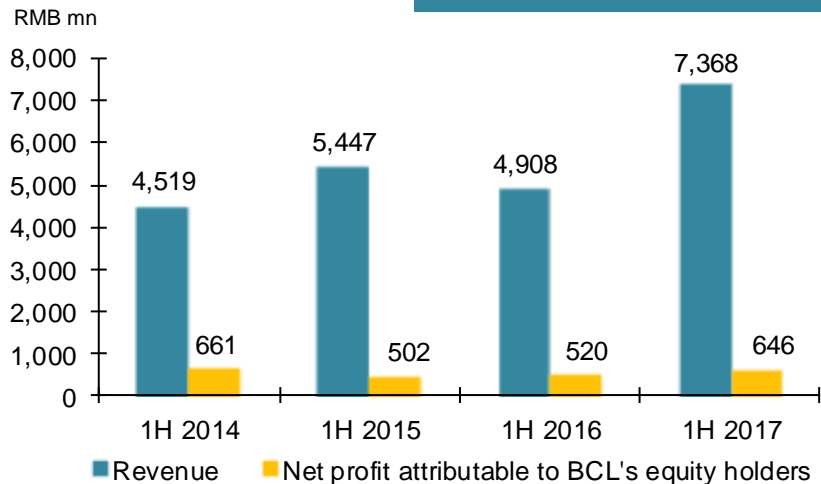
| RMB '000 | 1H2017 | 1H2016 | YoY Change |
|---|-----------|----------------------|------------|
| Revenue | 7,368,346 | 4,907,908 | 50.13% |
| Gross Profit | 2,449,651 | 510,593 | 379.77% |
| Net Profit | 1,022,020 | 1,083,022 | -5.63% |
| Net profit attributable to parent company | 646,199 | 519,616 | 24.36% |
| Core profit attributable to parent company ¹ | 861,511 | 95,703 | 800.19% |
| EPS (Fully-diluted, RMB cents) | 21 | 17 | 23.53% |
| ROE attributable to parent company | 3.89% | 3.95% | -0.06 ppt |
| Gross profit margin | 33.45% | 10.40% | 23.05 ppt |
| Net profit margin | 13.87% | 22.07% | -8.2 ppt |
| Net gearing ratio | 131.91% | 132.26% ² | -0.35 ppt |
| Cash on hand | 16.9bn | 17.9bn ² | -5.53% |

1. Core profit attributable to owners of the company = Net profit attributable to owners of the company – Gains arising from changes in fair value attributable to owners of the company after tax. (excluding minority interest)

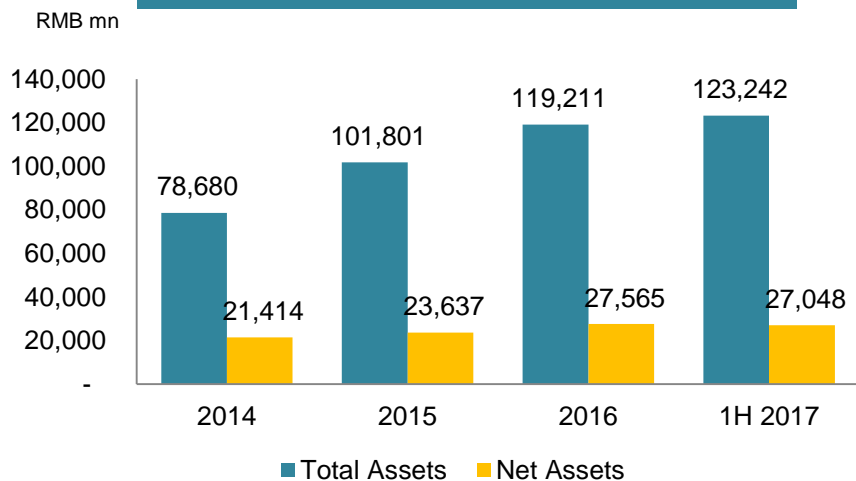
2. As of 31Dec. 2016

Stable Financial Performance

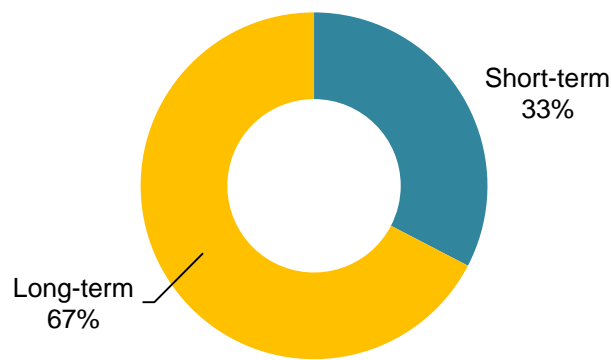
Stable Financial Performance



Increasing Asset Scale



Optimized Loan Structure

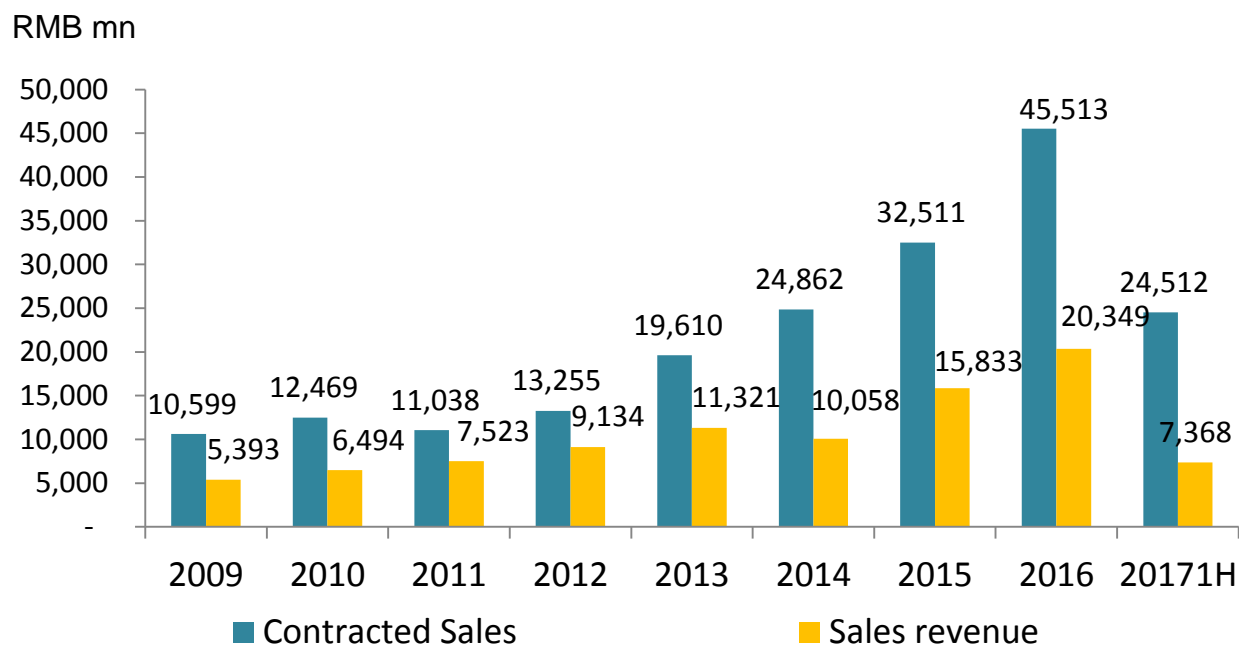


Weighted Average Funding Cost: 5.10%*

*as of 30 June 2017

Contracted Sales and Sales Revenue

| Contracted core pre-sales in 1H2017 | Booked amount in 1H2017 | Accumulated unbooked core pre-sales |
|-------------------------------------|-------------------------|-------------------------------------|
| RMB16.1bn | RMB7.4bn | RMB27bn |



Contracted sales in 1H2017 reached RMB 24.51bn

Section 2

Business Highlights

Contracted Sales Performance in 1H2017

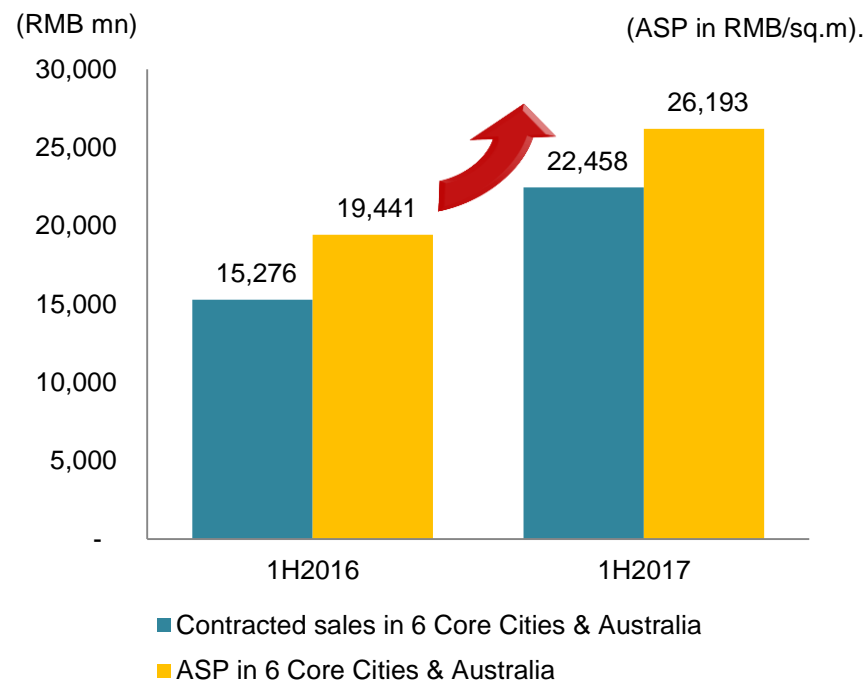
| Contracted Sales | | Average Selling Price (contracted sales) | |
|------------------|------------|--|------------|
| RMB billion | YoY Change | RMB/sq. m. | YoY Change |
| 24.51 | +50.5% | 22,721 | +26.7% |

Contracted sales in 1H2017 was RMB24.51bn, up 50.5% YoY

Continued focusing on core cities,
Inventory clearance in non-core cities proved
effective, Sales reached all-time high

- RMB22.46bn contracted sales from 6 core cities and Australia, up 47% YoY, accounting for 91.6% of total contracted sales
- Beijing contributed RMB10.61bn, or 43.3%, of total contracted sales, representing a YoY increase of 150%
- Average selling price (ASP) in 6 core cities and Australia increased significantly by 35% to RMB26,193 per sq.m. in 1H2017

Core Cities & Australia Contracted Sales & ASP



Prime Projects Acquired in Core Cities

- ❑ Invested **RMB11.53bn** in land acquisition for a total GFA of 1.52 million sq.m.
- ❑ Invested **RMB9.92bn** in Beijing, Tianjin and Shenzhen, accounting for **86%** of the total land investment
- ❑ **Entered Shenzhen market for the first time:**
 - Acquired a project in Longhua (深圳龙华项目), expanded BCL's strategic presence in core cities
 - Total GFA is 68,000 sq.m. with a total investment of RMB1.845bn
 - To be developed as a landmark project in the area given its prime location, replenishing high-end products portfolio
- ❑ Acquired Tianjin "Tian Yue Hai He" project (天津天阅海河项目) via M&A at low cost
 - Located in central Hebei District in Tianjin, the project is a complex above metro-station, total GFA of 440,000 sq.m.
 - Acquired 49% stake with a consideration of RMB1.3bn, implying average cost of RMB10,000/sq.m., far below the land price of the same area, a relatively high yield is expected;

Land Acquisition in 1H 2017

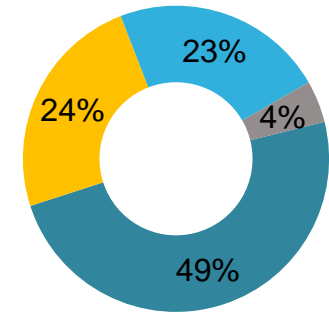
| City | Project | Project (Chinese) | Total GFA (sq.m.) | Land Premium (RMB bn) |
|--------------|------------------------------------|---------------------|-------------------|-----------------------|
| Beijing | Beijing Pinggu Jinhaihu Project | 北京平谷金海湖项目 | 316,100 | 1.73 |
| Beijing | Beijing Miyun Tanyingxiang Project | 北京密云檀营乡项目 | 215,300 | 1.76 |
| Tianjin | Tianjin Beiyunhe Project Phase 1 | 天津北运河一期项目 | 416,000 | 2.08 |
| Tianjin | Tianjin Wuqing Project 03-06/03-07 | 天津武清项目03-06/03-07项目 | 249,400 | 2.51 |
| Zhengzhou | Zhengzhou Outlets Project A2 | 郑州奥特莱斯A2地块 | 15,500 | 0.02 |
| Kunming | Kunming Outlets Project | 昆明奥特莱斯项目 | 133,500 | 0.16 |
| Shenzhen | Shenzhen Longhua Project | 深圳龙华项目 | 67,600 | 1.85 |
| Australia | Australia Project MAX | 澳洲MAX项目 | 104,000 | 1.44 |
| Total | | | 1,520,000 | 11.53 |

Land Bank Total GFA of 11.21mn sq.m.

- Total above ground GFA was **8.68mn sq.m.**, sufficient for development over the coming 3-4 years
- 6 core cities & Australia accounted for 80% in terms of land bank value

Land Bank Geographic Breakdown

- Bohai Rim
- Mid-southwestern
- Yangtze River Delta
- Other Regions



Primary Land Development & Shantytown Renovation

Business scaled-up

- Primary land development & shantytown renovation business strategy implemented in Beijing-Tianjin-Hebei region
- 6 projects under development, while striving to secure multiple potential projects
- The business is scaling up, and has become a crucial business segment for the company. It is also shaping up to be a pivotal platform for the company to acquire key resources

Core Projects Acquired

- Beishicao Shanty Town Renovation Project (北京顺义北石槽棚改项目)**, a site area of 60.8 hectares, was newly acquired in Beijing Shunyi, would help replenish BCL's prime land resources in core city
- Pinggu Bai Ge Zhuang New Village (Phase II) Project (北京平谷白各庄新村二期项目)** : Teamed up with New Town Fund, pre-development licenses have been approved and relocation is under preparation

Teamed up with Everbright Financial Holding

- Signed strategic cooperation agreement with Everbright Financial Holding Asset Management (**光大金控资管**), to jointly develop municipal infrastructure projects and shantytown renovation projects in Beijing-Tianjin-Hebei region
- This cooperation will effectively help BCL enlarge its market share in the primary land development business and create a business model with distinguished competitive edge

Outlets Business

Rapid Growth

- Total turnover of 4 opened outlets **grew 33% to RMB1.7bn**
- Foot traffic reached more than 10 million, an increase of **23% YoY**
- Cover 14 cities across the nation
- **Rank number 1** in terms of outlets projects deployed



Overseas Development

Outstanding Performance

- **RMB3.09bn** in contracted sales, accounting for **13%** of total contracted sales
- Invested 3 more projects in Sydney and 1 more project in Brisbane, with local developers Dyldam and Arden Property Group



Strengthen Management Capabilities along the Entire Operational Value Chain



Upgraded Product Quality

- ❑ **“BCL Made 2020” strategy:** helped to continue achieving “Quality Growth” and creating “Tian Yue” and “Xi Rui” two flagship product lines
- ❑ **Expanded R&D:** leveraged Big Data to drive product positioning, product design and product innovation along development process, thus improving product quality
- ❑ **Improved product quality:** enhanced construction quality and customer satisfaction by adopting a “water seepage free” mechanism and involving independent third party to undertake inspection after construction
- ❑ **Delivery of product:** successfully delivered 9,279 units of residential property while developing customer relationship management into concrete initiative, and implementing quality customer service standards offered by Shouwan Yuye Property Management Service company



Improved Quality and Efficiency of Sales & Marketing systems

- ❑ Strengthened in-house sales teams further in Beijing, Tianjin and Hebei areas; RMB7.1 billion contracted sales was achieved by in-house sales team in 1H2017, implying RMB26 million sales per person
- ❑ Built up an information communication mechanism that centers on sales and marketing management. Leveraged Big Data to drive product positioning and target the right customers



Enhanced Operational Efficiency with Prudent Cost Control

- ❑ Required 3 times of budget review for each project to ensure budget was stringently managed, and ultimate “3300 standard” was met
- ❑ Exercised rigorous control over annual budgeting in an effort to optimize sales & marketing expenses. Disbursements should be monitored and managed prudently throughout the process
- ❑ Made an equity investment in UrWork, which would enable BCL to bring along synergies to revitalize its inventory, and boost its asset management capabilities.

Steady Progress Made on A-share IPO, Boosted Bond-raising Ability, and Optimized Financing Structure and Funding Cost

A-share Listing

- Submitted written reply to the first round review feedback from CSRC. BCL continued to pushing forward A-share listing progress
- As at 18 August, 2017, BCL ranked 126 in the queue to list in A share market, moved up 145 places since the beginning of 2017
- The regulator has slowed review process of the A share approval and offering since May 2017, intending to stabilize the market. BCL has been proactively adjusting to the new situation and endeavored to achieve breakthroughs in equity financing

Debt Financing

- Issued USD500 million offshore senior notes in two tranches with coupon rate of 3.875% and 3.7% respectively. Both were rated BBB by Fitch Ratings. The issuance helped lower the BCL's funding cost
- Application for the issuance of RMB10billion corporate bonds has been approved. Issuance is aimed to be completed this year
- Proactively pushed forward innovative financing sources available such as commercial mortgage-backed securities(CMBS), and securitization of final payments in an effort to continue expanding financing channels, optimizing financing structure financing cost

Funding Cost

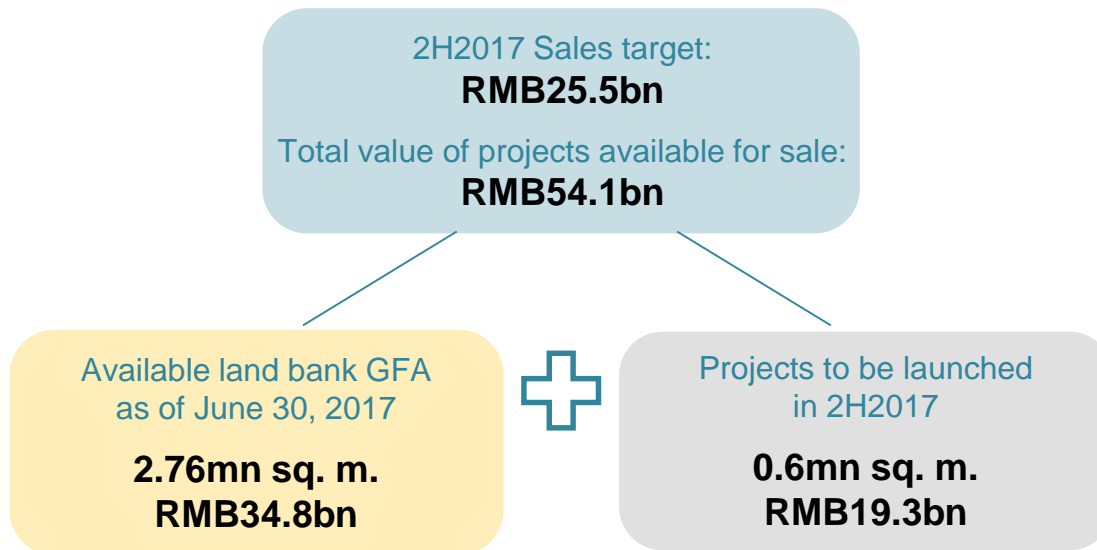
- The funding cost maintained at a relatively lower level in the sector, thanks to its SOE background
- The funding cost lowered to 5.10% by June, 15 bps decrease than that of the beginning of 2017. Funding cost remained at a lower level against a tightening monetary policy
- The financing structure further improved with interest bearing debt dropped by RMB 1.8 billion, by the end of June 2017

Section 3

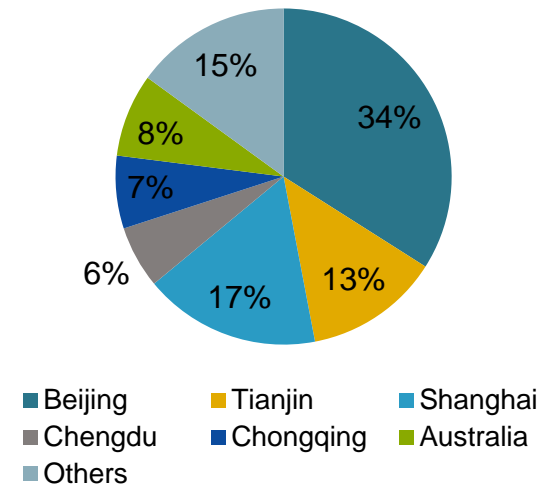
2H 2017 Outlook

Sales Target and Measures in 2H 2017

- **Sales Target:** RMB25.5bn in 2H 2017, and RMB50.0bn for FY 2017
- **Saleable Resources:** GFA available for sale in 2H2017 totals RMB 54.1bn
- **Strategic Focus:** 65% of products available for sale in 2H2017 are in **Beijing, Shanghai & Tianjin**, totaling RMB 35bn, with a possibly higher sell-through rate
- **Key Projects to be Launched:** High-end products including “Capital of Western Village” (北京天阅西山), Beijing Xanadu Villa (北京禧瑞墅项目), Beijing Miyun Tanyingxiang Project (北京密云檀营乡项目), Shanghai Zhou Pu Project (上海周浦项目), Shanghai Xinchang Project (上海新场项目) and Tianjin North Shore Center Project (天津北岸中心项目)



Total value of Projects for sale in 2H2017 Breakdown by Cities



QUALITY GROWTH

“BCL Made 2020” Product Strategy

1. Led by “Tian Yue” and “Xi Rui” product lines, the Group will focus on developing products with high quality craftsmanship, enhance product innovation via precise R&D
2. Reinforce contract-signing center and in-house sales team, creating a full ecosystem of client resources in core cities
3. Leverage newly launched customer service strategies to effectively improve service quality and brand value
4. Apply customized strategies in different cities and optimize sales and marketing efforts, striving to achieve full year sales target of RMB50+ billion

Acquire Resources Innovatively

1. Shift investment focus from 6 core cities to core metropolitan areas around Beijing, Shanghai and Shenzhen, and proactively utilize expertise accumulated in core cities
2. Enhance synergies with Beijing Capital Group and New Town Fund for primary land development and industrial property development projects in Beijing-Tianjin-Hebei
3. Step up efforts to acquire projects via M&A
4. Create asset management platform for investment properties, team up with strategic partners, and speed up inventory clearance

Outlets - Accelerate Nationwide Expansion promote Lean Operations Management

1. Execute strategic goal of "Twenty Cities in Five Years" and step up efforts to deploy quality outlets projects in target cities, and ensure new projects will be launched on-schedule with high quality
2. Focus on delivering great customer experience and leveraging product brand value while effectively unlock the resource value provided by the company's strategic shareholders
3. Utilize digital innovations to effectively monitor consumption demand in a timely manner, creating industry benchmark in outlets retail sector

Capital Management Innovation

1. Focus on equity financing and strive to achieve a breakthrough in A-share equity financing
2. Effectively control the gearing ratio, dynamically adjust financing activities to meet funding needs, optimize debt structure and strengthen financial risk management capability
3. Acquire more land in core cities via joint ventures and scale up financing on projects level. Explore cooperation opportunities to securitize inventory properties
4. Explore new bond financing sources, and push forward innovative financing such as commercial mortgage-backed securities(CMBS), final payments securitization and asset securitization

Q&A



Thank You!

