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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 2019**

**FINANCIAL HIGHLIGHTS**

For the six months ended 30 June 2019

Revenue	RMB10,476,385,000
Gross profit	RMB4,019,068,000
Profit attributable to owners of the Company	RMB1,187,493,000
Earnings per share	RMB30 cents

The Board has resolved not to declare any interim dividend in respect of the six months ended 30 June 2019.

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 2019 and comparative figures of 2018, which have been prepared in accordance with the Accounting Standards for Business Enterprises.

The 2019 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 16 August 2019.

## CONSOLIDATED INCOME STATEMENTS

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

		Six months ended 30 June 2019	Six months ended 30 June 2018
	Note	Unaudited	Unaudited Restated
<b>Revenue</b>	4	<b>10,476,385</b>	7,116,813
Less: Cost of sales	4	<b>(6,317,344)</b>	(4,626,327)
Taxes and surcharges	5	<b>(1,032,729)</b>	(518,485)
Selling and distribution expenses		<b>(275,723)</b>	(236,939)
General and administrative expenses		<b>(538,477)</b>	(477,916)
Financial expenses		<b>(1,476,779)</b>	(1,262,296)
Including: Interest expenses		<b>(1,527,923)</b>	(1,090,593)
Interest income		<b>155,692</b>	136,378
Credit impairment losses		–	(58,019)
Add: Other income		<b>62,640</b>	43,587
Investment income		<b>1,071,740</b>	1,249,111
Including: Share of profit of associates and joint ventures		<b>107,651</b>	166,517
Gains on net exposure hedges		<b>5,887</b>	6,819
Gains arising from changes in fair value		<b>199,985</b>	302,570
Gains/(Losses) on disposal of non-current assets		<b>3,090</b>	(6)
<b>Operating profit</b>		<b>2,178,675</b>	1,538,912
Add: Non-operating income		<b>7,603</b>	2,685
Less: Non-operating expenses		<b>(8,355)</b>	(3,812)
<b>Profit before income tax</b>		<b>2,177,923</b>	1,537,785
Less: Income tax expenses	7	<b>(418,840)</b>	(469,526)
<b>Profit for the period</b>		<b>1,759,083</b>	1,068,259
Attributable to:			
– Owners of the Company		<b>1,187,493</b>	736,528
– Non-controlling interests		<b>571,590</b>	331,731
<b>Earnings per share for profit attributable to ordinary shareholders of the Company</b>	8		
– Basic earnings per share (RMB Yuan)		<b>0.30</b>	0.19
– Diluted earnings per share (RMB Yuan)		<b>0.30</b>	0.19

## CONSOLIDATED INCOME STATEMENTS (Continued)

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

	Six months ended 30 June 2019	Six months ended 30 June 2018
Note	Unaudited	Unaudited Restated
<b>Profit for the period</b>	<b><u>1,759,083</u></b>	<b><u>1,068,259</u></b>
<b>Other comprehensive (losses)/income for the period, net of tax</b>	<b>(121,604)</b>	33,795
Attributable to owners of the Company	<b>(121,604)</b>	33,795
Items that may be reclassified to profit or loss thereafter	<b>(121,604)</b>	33,795
1. Share of other comprehensive income in the investees can be reclassified into profit and loss at equity method	–	(31,984)
2. Recycling of changes in fair value of investment properties previously recognized in other comprehensive income	<b>(29,618)</b>	(10,154)
3. Effective portion of cash flow hedges	<b>(77,975)</b>	58,498
4. Currency translation differences	<b>(14,011)</b>	17,435
Attributable to non-controlling interests	–	–
<b>Total comprehensive income</b>	<b><u>1,637,479</u></b>	<b><u>1,102,054</u></b>
Attributable to:		
– Owners of the Company	<b>1,065,889</b>	770,323
– Non-controlling interests	<b><u>571,590</u></b>	<b><u>331,731</u></b>

## CONSOLIDATED BALANCE SHEETS

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

		30 June 2019	31 December 2018
	<i>Note</i>	Unaudited	Audited
<b>Current assets</b>			
Cash at bank and on hand		37,387,248	22,526,602
Trading financial assets		3,444,820	3,024,250
Trade receivables	10	4,712,341	3,610,558
Advances to suppliers		413,761	872,313
Other receivables		26,640,280	20,245,009
Inventories		79,309,628	75,403,717
Contract assets		5,366,384	4,436,823
Assets classified as held-for-sale		–	73,244
Current portion of non-current assets		311,975	4,397,880
Other current assets		3,240,180	2,921,289
		<u>160,826,617</u>	<u>137,511,685</u>
<b>Total current assets</b>			
<b>Non-current assets</b>			
Derivative financial assets		253,787	262,202
Long-term equity investments		5,843,330	5,108,373
Other equity instrument investments		288,283	288,283
Other non-current financial assets		3,686,097	3,226,200
Investment properties		21,862,908	20,570,240
Fixed assets		301,815	314,770
Right-of-use assets		47,438	–
Intangible assets		17,660	–
Long-term prepaid expenses		278,529	244,117
Deferred income tax assets		1,934,411	1,534,029
Other non-current assets		9,921	656,924
		<u>34,524,179</u>	<u>32,205,138</u>
<b>Total non-current assets</b>			
<b>TOTAL ASSETS</b>		<u><u>195,350,796</u></u>	<u><u>169,716,823</u></u>

## CONSOLIDATED BALANCE SHEETS (Continued)

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

		30 June 2019	31 December 2018
	Note	Unaudited	Audited
<b>Current liabilities</b>			
Short-term borrowings		2,433,128	2,748,664
Trading financial liabilities		7,959	15,849
Notes payables		101,256	32,706
Trade payables	11	7,356,474	9,442,087
Contract liabilities		17,207,581	17,102,209
Employee benefits payables		111,204	218,546
Taxes payable		3,647,066	3,140,045
Other payables		19,657,065	10,406,177
Current portion of non-current liabilities		<u>22,674,032</u>	<u>20,670,930</u>
<b>Total current liabilities</b>		<u>73,195,765</u>	<u>63,777,213</u>
<b>Non-current liabilities</b>			
Long-term borrowings		50,164,622	38,212,972
Debentures payable		27,099,827	25,310,202
Lease liabilities		15,900	–
Long-term payables		25,976	1,607,001
Provisions		4,123	4,123
Deferred income tax liabilities		2,674,969	2,571,759
Derivative financial liabilities		<u>55,099</u>	<u>32,871</u>
<b>Total non-current liabilities</b>		<u>80,040,516</u>	<u>67,738,928</u>
<b>Total liabilities</b>		<u>153,236,281</u>	<u>131,516,141</u>
<b>Equity</b>			
Share capital		3,027,960	3,027,960
Other equity instruments		16,572,063	13,476,018
Including: Perpetual bonds		16,572,063	13,476,018
Capital reserve		417,575	469,930
Other comprehensive income		317,142	438,746
Surplus reserve		665,381	665,381
Retained earnings		<u>11,274,296</u>	<u>11,037,357</u>
Total equity attributable to owners of the Company		32,274,417	29,115,392
Non-controlling interests		<u>9,840,098</u>	<u>9,085,290</u>
<b>Total equity</b>		<u>42,114,515</u>	<u>38,200,682</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>195,350,796</u>	<u>169,716,823</u>

*(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. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES**

**(a) Modification of the format of general enterprise statements**

In 2018, the Ministry of Finance issued “Notice of the Ministry of Finance on Revising the Format of the General Enterprise Financial Statements for 2018 (Accounting [2018] 15)” and its interpretation, the Group reclassified the non-bank interest income for the six months ended 30 June 2018, which originally included in the finance expense to investment income.

In 2019, the Ministry of Finance issued “Notice of the Ministry of Finance on Revising the Format of the General Enterprise Financial Statements for 2019 (Accounting [2019] 6)” and its interpretation, the Group split the notes payables and accounts payable, in addition, interest payable in other payables of the Group only reflects interests that have been due for the relevant financial instrument but has not been paid at the balance sheet date, interest of financial instruments based on effective interest method should be included in the book value of the corresponding financial instrument.

**(b) Leasing**

In 2018, the Ministry of Finance issued revised CAS No. 21 – Leasing (hereinafter “the new leasing standards”). The Group has adopted above-mentioned standards to prepare the financial statements for the six months ended 30 June 2019.

For contracts of the Group signed before 1 January 2019, the Group chose not to reassess whether it was a lease or included a lease.

On account of implementation of the new leasing standards, the Group increased the total assets by RMB43,168,000, total liabilities by RMB43,547,000 in its consolidated financial statements as at 30 June 2019.

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

### 3. 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 evaluates their operating results respectively, in order to make decisions about resources allocation to these segments and to assess their performance.

For the six months ended 30 June 2019 and at 31 December 2018, the Group identified eight reportable segments as follows:

- Beijing segment, which is mainly engaged in real estate development, sales and related business in Beijing region.
- Huadong segment, which is mainly engaged in real estate development, sales and related business in Huadong region.
- Tianjin segment, which is mainly engaged in real estate development, sales and related business in Tianjin region.
- Chengyu segment, which is mainly engaged in real estate development, sales and related business in Chengdu and Chongqing region.
- Other segment, which is mainly engaged in real estate development, sales and related business in other regions, including Shenyang, Xi'an, Hainan, etc.
- Outlets business segment, which is mainly engaged in capital outlets businesses in different regions.
- Other investment property segment, which is mainly engaged in the investment property operations other than capital outlets business.
- Primary land development segment (including renovation of shanty towns), which is mainly engaged in primary land development and renovation of shanty towns in Beijing and Tianjin region.

For the six months ended 30 June 2018 and as at 31 December 2018, the Group identified eight reportable segment, namely, Beijing, Shanghai, Tianjin, Chengdu and Chongqing, other segment, Outlets business segment, Other investment property segment and Primary land development segment. With the gradual expansion of the real estate sales business in Eastern China, such as Jiangsu and Zhejiang, the Group unifies the business of Shanghai segment and Jiangsu, Zhejiang and other companies originally included in other segment under the management of the newly established Huadong segment, and restate the information of the segment for the six months ended 30 June 2018 and as at 31 December 2018.

Inter-segment transfer prices are determined by referring to sales price to third parties.

Assets are allocated to segments based on the location of assets and the segments' operation. Liabilities are allocated to segments based on the segments' operation.

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

(1) Segment information for the six months ended 30 June 2019 and as at 30 June 2019 are as follows:

	Real estate development and sales					Investment properties				Inter-segments Elimination	Total
	Beijing	Huadong	Tianjin	Chengyu	Others	Outlets	Others	Primary land development	Unallocated		
Revenue from external customers	1,180,886	1,302,455	2,903,185	704,170	1,304,471	378,188	56,310	2,565,942	80,778	—	10,476,385
Inter-segment revenue	—	—	—	—	—	—	—	—	123,520	(123,520)	—
Income from customer contracts:											
Recognized at a point in time	1,180,886	1,302,455	2,903,185	704,170	1,304,471	378,188	56,310	1,087,739	80,778	—	8,998,182
Recognized over time	—	—	—	—	—	—	—	1,478,203	—	—	1,478,203
Cost of sales from main operation	(754,413)	(882,854)	(1,662,890)	(394,150)	(731,455)	(34,224)	(7,082)	(1,697,385)	(75,660)	—	(6,240,113)
Interest income	16,417	5,663	8,313	960	8,391	14,835	338	491	100,284	—	155,692
Interest expenses	(243,833)	(14,738)	—	(45,040)	—	(179,558)	(50,386)	(208,178)	(786,190)	—	(1,527,923)
Investment income/(losses) of associates and joint ventures	75,860	2,497	(11,801)	—	(12,835)	4,769	—	(1,264)	50,425	—	107,651
Depreciation and amortization	(51)	(120)	(416)	(35)	(148)	(31,095)	(87)	—	(3,028)	—	(34,980)
Profit/(loss) before income tax	62,206	185,863	739,656	154,858	254,890	107,808	48,688	734,898	(110,944)	—	2,177,923
Income tax expenses	1,914	(58,496)	(186,743)	(39,078)	(63,996)	(76,251)	(12,111)	(207,612)	223,533	—	(418,840)
Profit for the period	64,120	127,367	552,913	115,780	190,894	31,557	36,577	527,286	112,589	—	1,759,083
Total assets	32,552,881	29,990,210	16,618,764	7,760,178	19,549,419	16,691,424	9,272,782	12,706,960	120,004,798	(69,796,620)	195,350,796
Total liabilities	(21,472,142)	(9,691,707)	(6,495,035)	(1,430,717)	(1,290,602)	(14,978,872)	(5,628,440)	(29,273,699)	(135,301,823)	72,326,756	(153,236,281)
Long-term equity investments on associates and joint ventures	975,573	1,519,135	799,376	—	139,191	270,626	—	189,590	1,949,839	—	5,843,330
Increase in non-current assets (i)	757	637	102	34	1,322	1,174,705	23,699	573	1,996	—	1,203,825

(i) Non-current assets do not include financial assets, long-term equity investment and deferred income tax assets.



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

(2) Segment information for the six months ended 30 June 2018 and as at 31 December 2018 are as follows:

(a) Segment information for the six months ended 30 June 2018 (Restated)

	Real estate development and sales					Investment properties				Inter-segments Elimination	Total
	Beijing	Huadong	Tianjin	Chengyu	Others	Outlets	Others	Primary land development	Unallocated		
Revenue from external customers	1,777,100	706,380	1,053,913	694,630	1,134,616	180,980	58,269	1,497,296	13,629	—	7,116,813
Inter-segment revenue	—	—	—	—	83,948	325	—	—	—	(84,273)	—
Income from customer contracts:											
Recognized at a point in time	1,777,100	706,380	1,053,913	670,323	1,031,687	180,980	58,269	843,134	13,629	—	6,335,415
Recognized over time	—	—	—	24,307	102,929	—	—	654,162	—	—	781,398
Cost of sales from main operation	(1,521,942)	(383,583)	(706,868)	(458,331)	(683,960)	(12,337)	(4,610)	(813,235)	—	—	(4,584,866)
Interest income	4,731	4,430	14,552	569	7,516	3,142	11,878	120	89,440	—	136,378
Interest expenses	(130,019)	(51,907)	(7,708)	(116)	(3,934)	(52,012)	(62,875)	(70,783)	(711,239)	—	(1,090,593)
Investment income/(losses) of associates and joint ventures	101,979	5,492	(2,812)	—	(3,956)	(881)	—	5,481	61,214	—	166,517
Credit impairment losses	—	—	—	—	—	—	—	—	(58,019)	—	(58,019)
Depreciation and amortization	(1,881)	(177)	(402)	(84)	23	(12,450)	(10,974)	(179)	(1,233)	—	(27,357)
Profit/(loss) before income tax	25,103	135,343	212,780	158,940	193,612	(81,310)	(79,399)	621,277	351,439	—	1,537,785
Income tax expenses	(62,287)	(61,674)	(45,317)	(41,316)	(151,757)	3,903	4,599	(174,838)	59,161	—	(469,526)
(Loss)/profit for the period	(37,184)	73,669	167,463	117,624	41,855	(77,407)	(74,800)	446,439	410,600	—	1,068,259
Increase in non-current assets (i)	561	329	304	—	49	1,079,497	88,035	31	636	—	1,169,442

(i) Financial assets, long-term equity investment and deferred tax assets are not included in non-current assets.

(b) Segment information as at 31 December 2018 (Restated)

	Property development, sales and related business					Investment properties				Inter-segments Elimination	Total
	Beijing	Huadong	Tianjin	Chengyu	Others	Outlets	Others	Primary land development	Unallocated		
Total assets	26,959,039	27,417,607	17,966,193	7,482,478	12,594,090	13,720,476	10,793,139	13,208,115	51,137,759	(11,562,073)	169,716,823
Total liabilities	(26,795,589)	(21,835,388)	(12,591,165)	(5,412,310)	(9,758,331)	(7,661,198)	(3,291,818)	(8,926,320)	(53,740,602)	18,496,580	(131,516,141)
Long-term equity investments on associates and joint ventures	597,611	1,538,459	543,567	—	—	30,172	—	—	2,398,564	—	5,108,373

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

The revenue gained in mainland China and oversea transaction and total non-current assets excluding financial assets, long-term equity investment and deferred income tax assets were disclosed as below:

Revenue from external customers:

	<b>Six months ended 30 June 2019</b>	Six months ended 30 June 2018
China	<b>10,476,385</b>	7,112,652
France	–	4,161
	<hr/>	<hr/>
Total	<b><u>10,476,385</u></b>	<b><u>7,116,813</u></b>

**Total non-current assets:**

	<b>30 June 2019</b>	31 December 2018
China	<b>22,341,495</b>	21,604,672
France	<b>176,776</b>	181,379
	<hr/>	<hr/>
Total	<b><u>22,518,271</u></b>	<b><u>21,786,051</u></b>

Most business of the Company and the subsidiaries are operated in mainland China. For the six months ended 30 June 2019, the Group has no revenue from other countries (For the six months ended 30 June 2018: RMB4,161,000).

For the six months ended 30 June 2019, the operation income generated from a client in the primary land development amounted to RMB1,087,739,000, accounted for 10% revenue of the Group (For the six months ended 30 June 2018: RMB843,134,000, accounted for 12% revenue of the Group).

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

#### 4. REVENUE AND COST OF SALES

	Six months ended 30 June 2019	Six months ended 30 June 2018
Revenue from main operations (a)	10,323,850	7,022,946
Revenue from other operations (b)	<u>152,535</u>	<u>93,867</u>
Total	<u><u>10,476,385</u></u>	<u><u>7,116,813</u></u>

	Six months ended 30 June 2019	Six months ended 30 June 2018
Cost of sales from main operations (a)	6,240,113	4,584,866
Cost of sales from other operations (b)	<u>77,231</u>	<u>41,461</u>
Total	<u><u>6,317,344</u></u>	<u><u>4,626,327</u></u>

##### (a) Revenue and cost of sales from main operations

	Six months ended 30 June 2019		Six months ended 30 June 2018	
	Main operating revenue	Main operating costs	Main operating revenue	Main operating costs
Sales of properties	7,371,862	4,503,972	5,272,995	3,754,684
Consulting services	36,928	–	13,081	–
Primary land development	2,565,246	1,695,196	1,497,296	813,235
Rental revenue of investment properties	<u>349,814</u>	<u>40,945</u>	<u>239,574</u>	<u>16,947</u>
Total	<u><u>10,323,850</u></u>	<u><u>6,240,113</u></u>	<u><u>7,022,946</u></u>	<u><u>4,584,866</u></u>

##### (b) Revenue and cost of sales from other operations

	Six months ended 30 June 2019		Six months ended 30 June 2018	
	Other operating revenue	Other operating costs	Other operating revenue	Other operating costs
Other rental income	28,044	15,222	25,174	–
Other operations	<u>124,491</u>	<u>62,009</u>	<u>68,693</u>	<u>41,461</u>
Total	<u><u>152,535</u></u>	<u><u>77,231</u></u>	<u><u>93,867</u></u>	<u><u>41,461</u></u>

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

## 5. TAX AND SURCHARGES

	<b>Six months ended 30 June 2019</b>	Six months ended 30 June 2018
Land appreciation tax	892,756	415,780
Others	139,973	102,705
	<u>1,032,729</u>	<u>518,485</u>

## 6. GROSS PROFIT

	<b>Six months ended 30 June 2019</b>	Six months ended 30 June 2018
Revenue	10,476,385	7,116,813
Less: Cost of sales	(6,317,344)	(4,626,327)
Taxes and surcharges (excluding land appreciation tax)	(139,973)	(102,705)
	<u>4,019,068</u>	<u>2,387,781</u>

## 7. 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% (for the six months ended 30 June 2018: 25%).

According to the current tax law in Hong Kong, profit tax in Hong Kong is calculated by 16.5% of taxable profit. 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:

	<b>Six months ended 30 June 2019</b>	Six months ended 30 June 2018
Current income tax	706,141	683,520
Deferred income tax	(287,301)	(213,994)
	<u>418,840</u>	<u>469,526</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:

	<b>Six months ended 30 June 2019</b>	Six months ended 30 June 2018
Total profit	<u>2,177,923</u>	<u>1,537,785</u>
Income tax expenses calculated at applicable tax rates (25%)	544,481	384,446
Impact of withholding income tax at different tax rates	–	(95,677)
Share of net profit of joint ventures and associates under equity method	(26,913)	(41,629)
Profit or loss not subject to tax	(49,129)	32,514
Profit from internal equity transfer transaction subject to tax	2,804	101,941
Distribution eligible for tax deduction	(127,620)	(62,470)
Deductible losses for which no deferred income tax asset was recognized for the period	66,995	70,731
Impairment provision for which no deferred income tax asset was recognized for the period	–	14,500
Expenses, costs and losses not deductible for tax purposes	<u>8,222</u>	<u>65,170</u>
Income tax expenses	<u><u>418,840</u></u>	<u><u>469,526</u></u>

## 8. EARNINGS PER SHARE

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

	<b>Six months ended 30 June 2019</b>	Six months ended 30 June 2018
Consolidated net profit attributable to owners of the Company	1,187,493	736,528
Less: distribution relating to other equity instruments	<u>(284,291)</u>	<u>(166,293)</u>
Consolidated net profit attributable to ordinary shareholders of the Company	<u><u>903,202</u></u>	<u><u>570,235</u></u>
Weighted average number of ordinary shares outstanding (in thousands)	3,027,960	3,027,960
Basic earnings per share (RMB yuan per share)	<u><u>0.30</u></u>	<u><u>0.19</u></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.

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

## 9. DIVIDENDS

In accordance with the resolutions of the Board on the Board meeting held on 8 March 2019, the directors proposed a final dividend of RMB0.22 per share to the shareholders, the total amount payable will be RMB666,151,000 based on the Company's total issued number of shares which is 3,027,960,000. Such distribution of profit was approved at the Annual General Meeting of shareholders held on 23 April 2019. (2018: 2017 dividend RMB0.21 per ordinary share and amounting to RMB635,872,000).

The Board has resolved not to declare any interim dividend in respect of the six months ended 30 June 2019 (For the six months ended 30 June 2018: Nil).

## 10. TRADE RECEIVABLES

	<b>30 June 2019</b>	31 December 2018
Trade receivables	<b>4,719,341</b>	3,617,558
Less: provision for doubtful debts (i)	<b>(7,000)</b>	(7,000)
	<u>4,712,341</u>	<u>3,610,558</u>

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

The aging of trade receivables based on their recording dates is analysed as follows:

	<b>30 June 2019</b>	31 December 2018
Within 1 year	<b>1,399,533</b>	1,264,461
1 to 2 years	<b>1,819,415</b>	2,157,101
2 to 3 years	<b>1,335,147</b>	65,400
Over 3 years	<b>165,246</b>	130,596
	<u>4,719,341</u>	<u>3,617,558</u>

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

**(i) Doubtful Debts**

	<b>30 June 2019</b>	31 December 2018
Provision for doubtful debts (a)	<u>7,000</u>	<u>7,000</u>

(a) As at 30 June 2019, significant individual amount and subject to separate provision of doubtful debts are as below:

	<b>Balance</b>	<b>Expected credit loss for the entire period of existence</b>	<b>Doubtful debts</b>
Trade receivables	<u>7,000</u>	<u>100%</u>	<u>(7,000)</u>

Except for the trade receivables with the provision for bad debts mentioned above, there is no significant anticipated credit loss and no provision for bad debts in other trade receivables were recognized by the Group.

**11. TRADE PAYABLES**

The aging analysis of notes payables and trade payables is as follows:

	<b>30 June 2019</b>	31 December 2018
Within 1 year	<b>6,732,583</b>	8,673,535
Over 1 year	<u>623,891</u>	<u>768,552</u>
Total	<u><b>7,356,474</b></u>	<u>9,442,087</u>

**12. NET CURRENT ASSETS**

	<b>30 June 2019</b>	31 December 2018
Current assets	<b>160,826,617</b>	137,511,685
Less: Current liabilities	<u>(73,195,765)</u>	<u>(63,777,213)</u>
Net current assets	<u><b>87,630,852</b></u>	<u>73,734,472</u>

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

**13. TOTAL ASSETS LESS CURRENT LIABILITIES**

	<b>30 June 2019</b>	31 December 2018
Total assets	<b>195,350,796</b>	169,716,823
Less: Current liabilities	<b>(73,195,765)</b>	(63,777,213)
Total assets less current liabilities	<b><u>122,155,031</u></b>	<u>105,939,610</u>

**14. FINANCIAL GUARANTEES**

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

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 2019, outstanding guarantees amounted to RMB5,535,115,000 (31 December 2018: RMB7,284,277,000).



## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **RESULTS AND DIVIDEND**

During the first half of 2019, the Group's revenue totaled RMB10,476,385,000 (first half of 2018: RMB7,116,813,000), up 47% from the same period last year, operating profit increase 42% year-on-year to RMB2,178,675,000 (first half of 2018: RMB1,538,912,000). Profit attributable to owners of the Company increase 61% year-on-year to RMB1,187,493,000 (first half of 2018: RMB736,528,000). Earnings per share (basic and diluted) were RMB0.30 (first half of 2018: RMB0.19), representing an increase of 58% compared with the first half of 2018. The Board resolved not to declare an interim dividend for the six months ended 30 June 2019.

### **PROPERTY SALES PERFORMANCE**

During the first half of 2019, BCL adhered to its “fast turnover” strategy and captured opportunities presented by favorable market conditions to successfully launch high-quality projects, increase sell-through rate of newly released projects, and effectively revitalize inventory. The Group also fully upgraded its “BCL Made 2020” product strategy that encompasses thorough market research, first rate construction, high-end project design and timely delivery. The Group continued to hone its core product lines such as “Tian Yue”, “Xi Rui” and “Xi Yue” series, in an attempt to take its product quality and service quality to the next level. The Group's in-house sales teams also dedicated to tap into multiple marketing channels and contributed contracted sales of RMB12.9 billion. Coupled with multiple measures including improving sell-through rate and strictly collecting cash on schedule, the Group hit a record high in terms of contracted sales and a great increase of sales proceeds.

During the first half of 2019, the total contracted sales area of the Group's projects was 1.627 million sq.m., up 19.4% from the same period last year. Total contracted sales were RMB40.54 billion, up 12.4% from the same period last year. During the period, the three key metropolitan areas on which the Group focused contributed significantly. Contracted sales was RMB36.00 billion, up 23.9% from the same period last year, accounting for 90% of the total. In particular, Beijing further demonstrated its position as a major driver of contracted sales growth as the city alone contributed RMB21.50 billion, or 53% of the total contracted sales. During the period, some projects, including the “Capital of Vision” project in Shanghai and the “Novotown” project in Kunshan, achieved a 100% destocking rate and total contracted sales of RMB5 billion.

<b>City</b>	<b>Contracted Sales Area (sq.m.)</b>	<b>Contracted Average Selling Price (RMB/sq.m.)</b>	<b>Contracted Sales Revenue (RMB'000)</b>
Beijing	641,030	33,542	21,501,333
Tianjin	321,155	19,469	6,252,640
Shanghai	92,413	55,092	5,091,215
Chengdu	48,186	16,776	808,367
Chongqing	84,881	9,888	839,281
Sydney and Brisbane	28,381	41,839	1,187,430
Others	411,387	11,818	4,861,775
<b>Total</b>	<b>1,627,433</b>	<b>24,912</b>	<b>40,542,041</b>

## COMMERCIAL PROPERTY

During the first half of 2019, Beijing Capital Grand, the commercial property arm of the Group, continued to expand its presence, rolling out new projects such as the Beijing Fangshan Capital Outlets Phase 2 and Jinan Capital Outlets. To date, the Group has deployed outlet projects in 17 cities, and 10 outlet projects are currently open for business. The Group remains No. 1 nationwide in terms of the number of outlets both deployed and operated in the industry.

During the period, the Group accelerated outlets operating quality and efficiency by further optimizing its business structure and unveiling innovative new marketing strategies. On the tech front, the Group improved its operating efficiency by improving its technological capabilities across digital platforms and big data analytics. In terms of marketing, BCL continued to improve its brand influence by adopting innovative marketing strategies to effectively attract targeted customers and drive rapid growth in business performance. As a result, outlets in operation during the period achieved turnover of RMB3.64 billion, up 54% from the same period last year, and customer traffic of 18.64 million, up 103% from the same period last year. In particular, daily customer traffic at Beijing Fangshan Capital Outlets Phase 2 reached over 170,000 on the opening day, and turnover surpassed RMB50 million, which was a new record in terms of daily sales for the Group's outlets business. Additionally, innovative marketing at the Wanning Capital Outlets in Hainan province during the Labor Day holiday helped to increase average daily sales by 55% year-over-year.

## PROPERTY DEVELOPMENT

During the first half of 2019, the Group, together with its joint ventures and associated companies, completed the construction of projects with an aggregate GFA of approximately 1.470 million sq.m..

<b>Project</b>	<b>Type</b>	<b>Approximate Completed GFA (sq.m.)</b>	<b>Attributable Interest</b>
Beijing Capital of Western Village	Residential/Commercial	42,562	100%
Beijing IC-PARK	Commercial	51,084	50%
Beijing The Happiness House	Residential/Commercial/ Support Facilities	156,916	100%
Beijing Xanadu Mountain	Residential (nursing care)	48,842	100%
Beijing Xihuangcun Project	Residential/Support Facilities	316,302	100%
Tianjin International Peninsula	Commercial	30,197	100%
Tianjin Poetic Life	Residential	89,251	20%
Tianjin Metropolis	Residential	29,072	100%
Kunshan Novotown (south land plot)	Residential	140,042	100%
Chongqing Capital City	Apartment/Commercial/ Car Parking	160,032	30%
Chongqing Capital Outlets	Commercial/Support Facilities	127,646	71.79%
Zhengzhou Capital Outlets	Commercial/Support Facilities	96,583	71.79%
Jinan Capital Outlets	Commercial/Support Facilities	<u>181,700</u>	71.79%
<b>Total</b>		<b><u><u>1,470,229</u></u></b>	

## **LAND BANK**

During the first half of 2019, with a recovery of the land market, the Group implemented its strategy to stabilize land investment by focusing on three key metropolitan areas and key tier-2 cities that management believes to have particular potential. The Group successfully acquired multiple plots of high-quality land at low cost through leveraging synergies in primary and secondary land development, acquiring land with Prime Golden Capital, and also through joint ventures. During the period, the Group acquired 13 secondary land development projects with a total GFA of 1.84 million sq.m. for a total of RMB17.13 billion, representing an average land premium rate of 16.9%. Specifically, investments in the three key metropolitan areas accounted for 81.3% of the total. During the period, the Company entered the Suzhou, Foshan, Dongguan and Xiamen residential property markets for the first time. While expanding its presence in the Yangtze River Delta and Guangdong-Hong Kong-Macao Greater Bay Area, the Group continued to expand its deployments in the single core cities.

During the first half of 2019, the Group leveraged its synergies in primary and secondary land development and newly acquired three projects in the Beijing region at floor price, with an aggregate investment of RMB6.74 billion, representing 39.3% of the total land investment, and an aggregate GFA of 533,000 sq.m.. For example, the Group acquired the Xihuangcun Project in the Shijingshan District, which is a high-quality project in Beijing that is situated next to the West 5th Ring Road and adjacent to metro line No. 6 as well as several primary urban roads. It is surrounded by many convenient facilities, including premium schools, business centers and superior natural environment. The project has an aggregate GFA of 196,000 sq.m..

As of 30 June 2019, the Group had total land bank with an aggregate GFA of 13.09 million sq.m., and total ground area of 10.11 million sq.m.. The aggregate GFA attributable to the Group's equity interests was 9.04 million sq.m., and the ground area attributable to the Group's equity interests was 6.89 million sq.m. of the total land bank, approximately 85% is for property development, and 15% is for investment properties and others. The existing land bank is considered to be sufficient for the Group's development over the coming three years.

## **HUMAN RESOURCES**

As of 30 June 2019, the Group employed 3,407 professionals who had an average age of 33.7. In terms of education, 77.2% of employees held a bachelor's degree or higher and 11.6% of employees held a master's degree or higher. Employees with intermediate or senior professional titles accounted for 16.1%.

During the first half of 2019, as a part of the Group's strategy to upgrade its business and regional operations, it further strengthened the support services provided by headquarters, gradually repositioned itself towards multi-business platform management, and actively

explored regional platforms and innovative new business models, so as to lead and promote the expansion and strengthening of its regional businesses, optimize innovative new businesses, and support the realization of the Group’s “13th Five-Year” strategic goal.

In order to meet the strategic development requirements of the Group, the Company continued to improve its performance assessment and incentive systems, and actively promote risk sharing and win-win partnerships that are built on collaboration and innovation. Meanwhile, the Company further explored the use of incentive mechanisms for newer businesses such as fund management, cultural and creative project developments, and science and technology projects, and well-played the role of performance assessment and incentive systems in order to support the Company’s strategic upgrading.

The Group consistently adheres to the vision that “talent is the most crucial capital”. BCL endeavored to establish comprehensive practices to develop the workforce needed to meet the Group’s development strategies. It also focused on build human capital for key functions and diversified businesses, especially to cultivate capable leaders for middle management. Together with job rotation and on-the-job training practices, the Group was able to update its human capital structure and provide support for its long term sustainable growth.

## **OUTLOOK**

Looking out to the second half of 2019, China will continue to follow the overarching themes of “housing is for people to live in, not for speculation” and “one city, one policy” for the housing sector. The government’s policies, which set a primary goal of “stabilizing land and housing prices and guiding market expectations”, will promote the stable development of the housing market and give rise to the establishment of long-term housing policies suitable for different cities. The current rigid market regulations are expected to remain in place in the short term and developers are still facing great financing challenges ahead as a result of deleveraging and a moderate tightening of industry-specific monetary policy. Meanwhile, as the differentiation in developers intensifies further, the advantages of developers with strong backgrounds will be further enhanced. The Group will continue to strive to achieve “quality growth” as part of its core vision in response to volatile external conditions, maintain stable growth and continued progress, and adopt the following development strategies:

1. While continuing to develop core projects in line with its “BCL Made 2020” strategy, the Group will adhere to a “fast turnover” strategy and speed up the launch and delivery of new projects. Leveraging its in-house salesforce, BCL aims to achieve an annual sales target of RMB80 billion. The Group will accelerate cash collection by strengthening its performance evaluation and incentive systems, and revitalize inventory in an innovative manner. By implementing a “stable investment” strategy, the Group will continue to focus on investing in the three core metropolitan areas of Beijing-Tianjin-Hebei, the Yangtze River Delta and the Guangdong-Hong Kong-

Macao Greater Bay Area as well as key tier-2 cities with market potential. Meanwhile, it will replenish its high-quality land bank at a low cost through diverse channels and with varied approaches.

2. In response to the government’s policies, the Group will accelerate the launch of new projects in its three diversified business lines, including cultural and creative industrial property developments, high-tech industrial property developments, and rental housing, in a bid to develop new profit drivers. In terms of cultural and creative industrial property business, the Group will develop projects through M&A, joint ventures, and self-operation, and operate them in an asset-heavy and asset-light combined business model. This will enhance BCL’s management capabilities which will not only help to generate stable income, but also allow the Group to benefit from potential asset appreciation by operating the properties. In terms of rental housing, the Group aims to make “He Yuan” a better and stronger rental housing brand, creating a unique model of running rental apartment projects on collective land, and achieving both social and economic benefits.
3. The Group will actively promote a rights issue plan in an effort to achieve breakthroughs in equity financing. It will also leverage its edge in credit and capital operations to maintain smooth financing channels and expand new channels in order to further consolidate its advantage in financing costs. The Group will continue to strengthen Prime Golden Capital, its financial platform, by developing comprehensive fund businesses in various respects including real estate development, asset management, cultural and creative industrial property, private equity and an overseas fund. This will enable the Group to create financial operating synergies across diverse assets and projects, facilitating its core resource acquisition and strategic upgrading.
4. The Group will be dedicated to further establish a multi-faceted incentive mechanism. The Group will further implement the “Endeavor Initiative” — the project co-investment platform under BCL — expand its coverage and solicit support from Group’s management team and headquarters, continuously optimize and effectively execute the program, thereby aligning the interests of shareholders, management and employees.



## FINANCIAL ANALYSIS

In the first half of 2019, the operating revenue of the Group was approximately RMB10,476,385,000 (first half of 2018: RMB7,116,813,000), representing an increase of approximately 47% as compared with the first half of 2018. Such increase in operating revenue was mainly attributable to the increase in new projects completed and occupied and revenue of primary land development during the period. In the first half of 2019, the Group achieved a gross profit margin after business tax of approximately 38%, representing an increase of 4 percentage points when compared to approximately 34% in the first half of 2018, which was mainly attributable to an increase of gross profit margin in the property development and sales business during the period.

In the first half of 2019, the operating profit of the Group was approximately RMB2,178,675,000 (first half of 2018: RMB1,538,912,000), representing an increase of approximately 42% as compared to the first half of 2018.

### 1. 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 2019, the Group's total assets were RMB195,350,796,000 (31 December 2018: RMB169,716,823,000), of which current assets were RMB160,826,617,000 (31 December 2018: RMB137,511,685,000) and non-current assets were RMB34,524,179,000 (31 December 2018: RMB32,205,138,000); and total liabilities were RMB153,236,281,000 (31 December 2018: RMB131,516,141,000), of which, current liabilities were RMB73,195,765,000 (31 December 2018: RMB63,777,213,000) and non-current liabilities were RMB80,040,516,000 (31 December 2018: RMB67,738,928,000), and owners' equity was RMB42,114,515,000 (31 December 2018: RMB38,200,682,000).

The Group has sound liquidity and solvency. Current ratio of the Group as at 30 June 2019 was approximately 2.20 (31 December 2018: approximately 2.16).

As at 30 June 2019, the Group's cash at bank and on hand amounted to RMB37,387,248,000 (31 December 2018: RMB22,526,602,000), which represented sufficient cash flow for operations. As at 30 June 2019, loans and debentures of the Group amounted to RMB101,558,271,000 (31 December 2018: RMB88,549,769,000) in aggregate, of which the long-term loans and debentures amounted to RMB77,290,425,000 (31 December 2018: RMB65,130,175,000). The bank loans were mainly used to satisfy the capital requirements of the Group's property development projects.

As at 30 June 2019, the Group's gearing ratio was approximately 78% (31 December 2018: approximately 77%). The gearing ratio of the Group is calculated as the total liabilities divided by total assets.

## 2. Changes in major subsidiaries, principal jointly controlled entities and associates

Kunming Shouzhi Xinye Real Estate Development Co. Ltd. (昆明首置新業房地產開發有限公司), a subsidiary of the Group, was established in February 2019, and 100% of its equity interest was held by the Group.

Tianjin Tianke Real Estate Co., Ltd. (天津天科置業有限公司), a subsidiary of the Group, was established in February 2019, and 100% of its equity interest was held by the Group.

Foshan Shourui Real Estate Development Co. Ltd. (佛山首瑞房地產開發有限公司), a subsidiary of the Group, was established in February 2019, and 100% of its equity interest was held by the Group.

Hangzhou Langyuan Culture Development Co., Ltd. (杭州郎園文化發展有限公司), a subsidiary of the Group, was established in April 2019, and 100% of its equity interest was held by the Group.

Xiamen Shouzhi Xiangfa Real Estate Development Co. Ltd. (廈門首置翔發房地產開發有限公司), a subsidiary of the Group, was established in May 2019, and 65% of its equity interest was held by the Group.

During the period, the Group acquired 100% equity interest of Kunshan Guangsheng Real Estate Development and Management Company Limited (昆山市廣盛房地產開發經營有限公司) (“Kunshan Guangsheng”). Following the completion of the acquisition, Kunshan Guangsheng became a subsidiary of the Group.

Suzhou Hongchang Real Estate Co., Ltd. (蘇州泓昶置業有限公司), a joint venture of the Group, was established in February 2019, and 51% of its equity interest was held by the Group.

Beijing Yuechuang Real Estate Development Co. Ltd. (北京悅創房地產開發有限公司), a joint venture of the Group, was established in March 2019, and 49% of its equity interest was held by the Group.

Beijing Jingu Chuangzhan Real Estate Co., Ltd. (北京金谷創展置業有限責任公司), a joint venture of the Group, was established in April 2019, and 49% of its equity interest was held by the Group.

During the period, the Group entered into an agreement with a partner in relation to the joint development project of the property on the land at No. 2-2, Wuqing through Tianjin Ruihe Real Estate Co., Ltd. (天津瑞和置業有限公司) (“Tianjin Ruihe”), as the platform. Tianjin Ruihe was the vehicle for project development. 50% equity interest of Tianjin Ruihe was held by the Group and the partner respectively.



### **3. Entrusted Deposits and Overdue Time Deposits**

As of 30 June 2019, the Group did not have any entrusted deposits in financial institutions in the PRC. Most of the Group's cash was held in commercial banks in the PRC in compliance with applicable laws and regulations. The Group has no bank deposits which are not recoverable upon maturity.

### **4. Borrowings**

As at 30 June 2019, bank borrowings of RMB38,088,942,000 (31 December 2018: RMB27,437,949,000) were from credit facilities obtained by the Group, of which, RMB34,510,890,000 (31 December 2018: RMB25,022,967,000) were secured by guarantees provided by the Group for its subsidiaries; and RMB3,578,052,000 (31 December 2018: RMB2,414,982,000) were general credit facilities obtained by the Group.

As at 30 June 2019, the Group's guaranteed bank borrowings amounted to RMB6,387,000,000 (31 December 2018: RMB6,393,000,000), of which, RMB1,887,000,000 (31 December 2018: RMB1,893,000,000) were secured by the guarantees provided by the Company and the third parties for the subsidiaries; and RMB4,500,000,000 (31 December 2018: RMB4,500,000,000) were guaranteed by Beijing Capital Group Co., Ltd. ("Capital Group"), the controlling shareholder of the Company.

As at 30 June 2019, the Group's mortgaged bank borrowings amounted to RMB10,452,762,000 (31 December 2018: RMB8,843,807,000). Of them, RMB3,062,108,000 (31 December 2018: RMB3,763,000,000) were secured by certain relevant properties under development; RMB2,196,007,000 (31 December 2018: RMB2,274,007,000) were secured by investment properties and land use rights; RMB3,201,647,000 (31 December 2018: RMB1,116,800,000) were secured by guarantees provided by the Group for its subsidiaries and by certain relevant properties under development of the subsidiaries; RMB1,908,000,000 (31 December 2018: RMB1,600,000,000) were secured by guarantees provided by the Group for its subsidiaries and by investment properties and land use rights of the subsidiaries; RMB85,000,000 (31 December 2018: RMB90,000,000) were secured by inter-company guarantees between subsidiaries of the Group and by investment properties and land use rights of relevant subsidiaries.

As at 30 June 2019, the Group's guaranteed and mortgaged bank borrowings amounted to RMB248,000,000 (31 December 2018: RMB248,000,000), of which RMB248,000,000 (31 December 2018: RMB248,000,000) were secured by guarantees provided by Capital Group for the Group and by relevant properties under development of the Group.

As at 30 June 2019, the Group's pledged bank borrowings amounted to RMB2,480,000,000 (31 December 2018: RMB2,766,470,000). Of them, RMB1,350,000,000 (31 December 2018: RMB1,350,000,000) were secured by the entitlement to the receivables to be generated from the sales of properties under development of the Group; RMB1,130,000,000 (31 December 2018: RMB1,130,000,000) were secured by the trade receivables of subsidiaries of the Group; Nil (31 December 2018: RMB286,470,000) were secured by guarantees provided by the Group for its subsidiaries and by the trade receivables of subsidiaries of the Group.

As at 30 June 2019, the Group's mortgaged and pledged bank borrowings amounted to RMB1,073,000,000 (31 December 2018: RMB1,073,000,000), which were secured by guarantees provided by the Group for its subsidiaries, investment properties and land use rights of the subsidiaries of the Group and the entitlement to trade receivables of the Group.

## **5. Corporate Bonds**

In May 2015, the Group issued 5-year RMB listed bonds in a principal amount of RMB3,000,000,000 with an interest rate of 4.58% per annum.

In April 2016, the Group issued 3-year RMB private bonds in a principal amount of RMB700,000,000 with a prevailing interest rate of 6.1% per annum. The issuer shall be entitled to adjust the coupon rate and the investors shall be entitled to sell back the bonds at the end of the second year. The bonds had been fully settled in April 2019.

In April 2016, the Group issued 5-year RMB private bonds in a principal amount of RMB2,300,000,000 with a prevailing interest rate of 4.5% per annum. The current balance is RMB640,000,000. The issuer shall be entitled to adjust the coupon rate and the investors shall be entitled to sell back the bonds at the end of the third year.

In June 2016, the Group issued 3-year RMB private bonds in a principal amount of RMB2,300,000,000 with a prevailing interest rate of 5.7% per annum. The issuer shall be entitled to adjust the coupon rate and the investors shall be entitled to sell back the bonds at the end of the second year. The bonds had been fully settled in June 2019.

In June 2016, the Group issued 5-year RMB private bonds in a principal amount of RMB1,700,000,000 with a prevailing interest rate of 4.4% per annum. The current balance is RMB750,000,000. The issuer shall be entitled to adjust the coupon rate and the investors shall be entitled to sell back the bonds at the end of the third year.

In July 2016, the Group issued 3-year RMB private bonds in a principal amount of RMB2,000,000,000 with a prevailing interest rate of 5.9% per annum. The issuer shall be entitled to adjust the coupon rate and the investors shall be entitled to sell back the bonds at the end of the second year. The current balance is RMB1,510,000,000.

In July 2016, the Group issued 5-year RMB private bonds in a principal amount of RMB1,000,000,000 with a prevailing interest rate of 3.84% per annum. The issuer shall be entitled to adjust the coupon rate and the investors shall be entitled to sell back the bonds at the end of the third year.

In September 2017, the Group non-publicly issued 3-year RMB corporate bonds in a principal amount of RMB500,000,000 with a prevailing rate of 5% per annum. The current balance is RMB400,000,000.

In November 2017, the Group non-publicly issued RMB corporate bonds in a principal amount of RMB500,000,000 with a maturity in September 2020 and an interest rate of 5.7% per annum. The current balance is RMB400,000,000.

In January 2018, the Group non-publicly issued RMB corporate bonds in a principal amount of RMB1,000,000,000 with a maturity in September 2020 and an interest rate of 5.7% per annum. The current balance is RMB800,000,000.

In April 2018, the Group issued 5-year RMB denominated private bonds in a principal amount of RMB2,000,000,000 with a prevailing interest rate of 5.84% per annum. The issuer shall be entitled to an option to adjust the coupon rate and the investors shall be entitled to an option to sell back the bonds at the end of the third year.

In April 2018, the Group issued 3-year RMB denominated private bonds in a principal amount of RMB1,000,000,000 with a prevailing interest rate of 5.7% per annum. The issuer shall be entitled to an option to adjust the coupon rate and the investors shall be entitled to an option to sell back the bonds at the end of the second year.

In July 2018, the Group issued 3-year RMB denominated private bonds in a principal amount of RMB1,500,000,000 with a prevailing interest rate of 5.8% per annum. The issuer shall be entitled to an option to adjust the coupon rate and the investors shall be entitled to an option to sell back the bonds at the end of the second year.

In July 2018, the Group issued 5-year RMB denominated private bonds in a principal amount of RMB500,000,000 with a prevailing interest rate of 5.94% per annum. The issuer shall be entitled to an option to adjust the coupon rate and the investors shall be entitled to an option to sell back the bonds at the end of the third year.

In September 2018, the Group issued 5-year RMB denominated listed corporate bonds in a principal amount of RMB2,500,000,000 with a prevailing interest rate of 4.89% per annum. The issuer shall be entitled to an option to adjust the coupon rate and the investors shall be entitled to an option to sell back the bonds at the end of the third year.

In September 2018, the Group non-publicly issued 3-year RMB denominated corporate bonds in a principal amount of RMB1,500,000,000 with a prevailing interest rate of 6% per annum.

In December 2018, the Group issued 3-year RMB denominated listed corporate bonds in a principal amount of RMB1,500,000,000 with a prevailing interest rate of 4.16% per annum.

In December 2018, the Group issued 5-year RMB denominated listed corporate bonds in a principal amount of RMB1,000,000,000 with a prevailing interest rate of 4.50% per annum.

In January 2019, the Group issued 3-year RMB private bonds in a principal amount of RMB1,500,000,000 with an interest rate of 6.00% per annum.

In April 2019, the Group non-publicly issued 3-year RMB denominated corporate bonds in a principal amount of RMB1,500,000,000 with a prevailing interest rate of 4.30% per annum. The issuer shall be entitled to an option to adjust the coupon rate and the investors shall be entitled to an option to sell back the bonds at the end of the second year.

In April 2019, the Group non-publicly issued 5-year RMB denominated corporate bonds in a principal amount of RMB1,000,000,000 with a prevailing interest rate of 4.58% per annum. The issuer shall be entitled to an option to adjust the coupon rate and the investors shall be entitled to an option to sell back the bonds at the end of the third year.

In May 2019, the Group non-publicly issued 5-year RMB denominated corporate bonds in a principal amount of RMB3,460,000,000 with a prevailing interest rate of 4.37% per annum. The issuer shall be entitled to an option to adjust the coupon rate and the investors shall be entitled to an option to sell back the bonds at the end of the third year.

## **6. Notes**

In February 2014, Central Plaza Development Ltd. (“Central Plaza”) established a Guaranteed Medium Term Notes and Perpetual Securities Scheme (the “Scheme”), pursuant to which International Financial Center Property Ltd. (“IFC”) or, as the case may be, the Company would provide guarantees for securities to be issued thereunder. Under the Scheme, Central Plaza may offer and issue securities in a principal amount up to USD1,000,000,000.

In February 2014, Central Plaza made a drawdown under the Scheme to offer and issue 5-year notes in a total principal amount of RMB250,000,000 at an interest rate of 6.875% per annum. In February 2019, the notes have been repaid.

In January 2017, Central Plaza renewed the Scheme, pursuant to which IFC or, as the case may be, the Company would provide guarantees for securities to be issued thereunder. Under the renewed Scheme, Central Plaza may offer and issue securities in a principal amount of up to USD1,000,000,000.

In January 2017, Central Plaza made a drawdown under the renewed Scheme to offer and issue 3-year notes in a total principal amount of USD400,000,000 at an interest rate of 3.875% per annum.

In July 2017, Central Plaza made a drawdown under the renewed Scheme to offer and issue 3-year notes in a total principle amount of USD100,000,000 at an interest rate of 3.7% per annum.

In January 2018, Central Plaza renewed the Scheme, pursuant to which IFC or, as the case may be, the Company would provide guarantees for securities to be issued thereunder. Under the renewed Scheme, Central Plaza may offer and issue securities in a principal amount of up to USD2,000,000,000.

In January 2018, Central Plaza made a drawdown under the renewed Scheme to offer and issue 3-year notes in a total principal amount of USD500,000,000 at an interest rate of 3.875% per annum.

In August 2018, Trade Horizon issued 3-year notes in a total principal amount of USD400,000,000 at a prevailing interest rate of 5.15% per annum.

## **7. Equity Instrument**

In November 2014, Central Plaza issued USD450,000,000 perpetual securities under the Medium Term Notes and Perpetual Securities Scheme at a distribution rate of 7.125%. Such 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 limit only if Central Plaza or the Company does not declare or pay a dividend. The securities are classified as equity instrument.

In July 2016, the Group raised a total amount of RMB3,000,000,000 through Xinghan Assets. According to the terms of the Investment Agreement, the amount of other equity instruments recognized amounted to RMB2,895,291,000 after deducting the inevitable dividend payable in the foreseeable future. In March 2019, the Group issued a prepayment announcement in accordance with the Investment Agreement to redeem 50% of principal of the Assets Management Plan in July 2019. Since the Group had the inevitable payment obligation pursuant, such amount did not meet

the definition of equity instrument any longer and was reclassified as current portion of long-term borrowings after issue of prepayment announcement, and a decrease in capital reserve amounted to RMB52,355,000 was recognized accordingly. As at 30 June 2019, the remaining other equity instruments to RMB1,447,647,000 was recognized after deducting the amounts classified as current portion of long-term borrowings.

In September 2017, the Group through Huaxin International Trustee raised a total amount of RMB2,000,000,000. According to the terms of Investment Agreement, the amount of other equity instruments recognized amounted to RMB1,970,027,000 after deducting the inevitable dividend payable in the foreseeable future.

In December 2017, the Group through Sino-Australian International Trust raised a total amount of RMB1,100,000,000. According to the terms of Investment Agreement, the amount of other equity instruments recognized amounted to RMB1,024,650,000 after deducting the inevitable dividend payable in the foreseeable future.

In March 2018, the Group issued a debt financing plan of RMB600,000,000. According to the terms of the Prospectus, other equity instruments recognized amounted to RMB553,800,000 after deducting the inevitable dividend payable in the foreseeable future.

In April 2018, the Group issued a debt financing plan of RMB200,000,000. According to the terms of the Prospectus, other equity instruments recognized amounted to RMB184,600,000 after deducting the inevitable dividend payable in the foreseeable future.

In June 2018, the Group issued perpetual medium-term notes of RMB2,000,000,000. Other equity instruments recognized amounted to RMB1,988,000,000 after deducting issue expenses.

In August 2018, the Group issued perpetual medium-term notes of RMB2,000,000,000. Other equity instruments recognized amounted to RMB1,991,000,000 after deducting issue expenses.

In August 2018, the Group issued debt financing plan of RMB1,800,000,000. Other equity instruments recognized amounted to RMB1,735,200,000 after deducting the inevitable dividend payable in the foreseeable future.

In September 2018, the Group issued perpetual debt instruments of RMB870,000,000 through Sino-Australian International Trust. Other equity instruments recognized amounted to RMB796,050,000 after deducting the inevitable dividend payable in the foreseeable future.

In September 2018, the Group issued a debt financing plan of RMB350,000,000. Other equity instruments recognized amounted to RMB337,400,000 after deducting the inevitable dividend payable in the foreseeable future.



In April 2019, the Group through Avic Trust issued perpetual bonds amounting to RMB1,800,000,000 and the amount of other equity instruments recognized amounted to RMB1,685,347,000 after deducting the inevitable dividend payable in the foreseeable future.

In April 2019, the Group issued a debt financing plan amounting to RMB2,000,000,000 and the amount of other equity instruments recognized amounted to RMB1,862,842,000 after deducting the inevitable dividend payable in the foreseeable future.

In April 2019, the Group issued perpetual medium-term notes amounting to RMB1,000,000,000 and the amount of other equity instruments recognized amounted to RMB995,500,000 after deducting the relevant fees.

## **8. 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 RMB5,535,115,000 at 30 June 2019 (31 December 2018: RMB7,284,277,000). Such guarantees will be terminated upon: (i) the issuance of the real estate interestship 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 other right certificate relating to the relevant property.

As at 30 June 2019, the Group provided a guarantee amounted to RMB590,000,000 for a long term borrowing of a joint venture.

As at 30 June 2019, the Group provided an irrevocable and joint and several guarantee expiring in May 2020 in respect of a long-term borrowing of RMB750,000,000 borrowed by a subsidiary of a joint venture from AVIC Trust Co., Ltd. in March 2018.

Save for 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 2019.

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

During the six months ended 30 June 2019, 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.

## **CORPORATE GOVERNANCE**

During the period from 1 January 2019 to 30 June 2019, 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*

Beijing, 16 August 2019

*The Board as of the date of this announcement comprises Mr. Li Songping (Chairman) who is Non-Executive Director, Mr. Zhong Beichen (President), Mr. Li Xiaobin, Mr. Hu Weimin and Mr. Fan Shubin who are Executive Directors, Mr. Su Jian who is Non-Executive Directors, and Mr. Li Wang, Mr. Wong Yik Chung, John and Mr. Liu Xin who are Independent Non-Executive Directors.*