



首创置业
BEIJING CAPITAL LAND
中国地产综合运营商(HK2868)



全价值·全生活
Total value Total life

Beijing Capital Land Ltd Interim Results 2013

August 2013



Agenda

1. Results Highlights
2. Financial Highlights
3. Business Performance & Review
4. Prospects & Strategies

Section I

Results Highlights



Results Highlights of 1H2013

Steady growth in major operation indicators

- Achieved revenue of RMB4,889.5 million, up 40% yoy
- Net profit increased 19.7% yoy to RMB757.3 million, EPS reached 28 cents
- Gross profit margin and net profit margin reached 26% and 15.5% respectively

Effective diversified financing channels with enhanced capital utilization efficiency

- Cash and cash equivalents on hand at around RMB7.9billion and net gearing ratio at 81% (FY2012: 99%)
- Innovative fund-raising: successfully issued a US\$400M perpetual bond
- Strategic partnership with J.P. Morgan Asset Management to establish an offshore fund.

Achievement of business model innovation

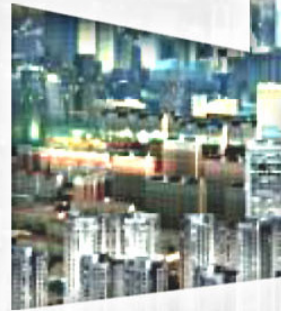
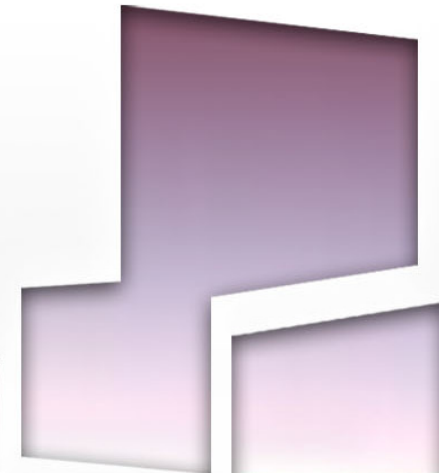
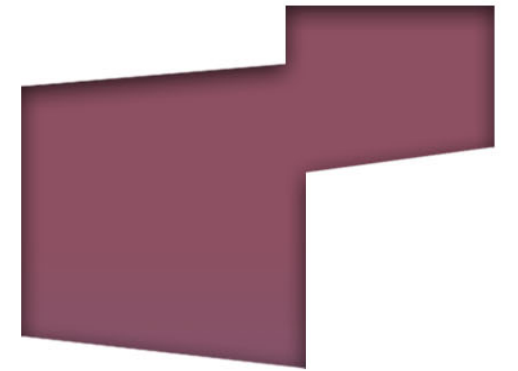
- “Residence + Outlets”: Beijing BCL Outlets celebrated its grand opening on 1 May 2013, whilst Novotown, the residential portion of the project, achieved overwhelming sales result.
- “Residence + Education”: Tianjin Capital International Peninsula project has got its Haileybury International School opened recently. It is the sister-school of renowned Haileybury College in Australia
- “Residence + Tourism”: Successfully launched Eastern Mystery of Kunshan Jinxi Project with China Youth Travel.

Expansion of market share in our Beijing base

- Acquired land lots in Li Ze Business District in Beijing with aggregate planned GFA of 490,000 sq.m. It is the last land plot in second ring road of Beijing. The project aims to build a commercial complex.
- Acquired another three projects in Tianjin and Chongqing with aggregate planned GFA of 1,246,000 sq.m to provide products tailored for owner-occupier and demand for improving living conditions.

Section II

Financial Results



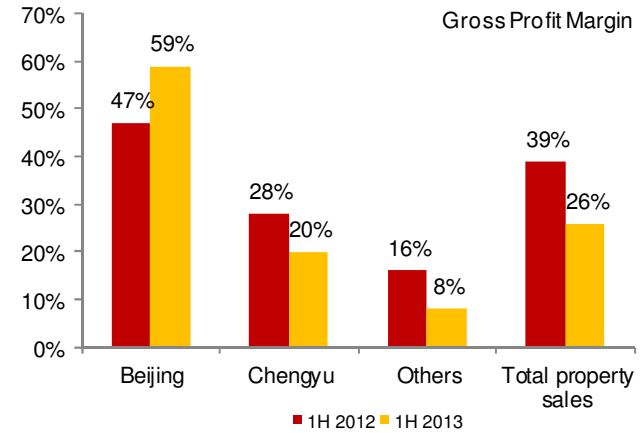
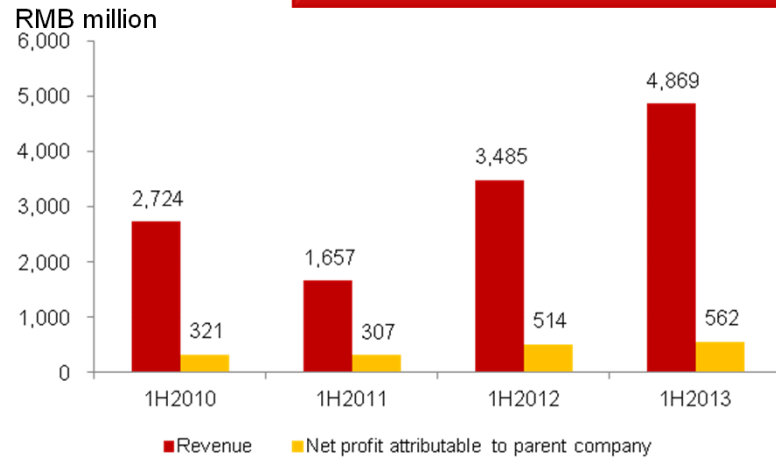
Financial Highlights



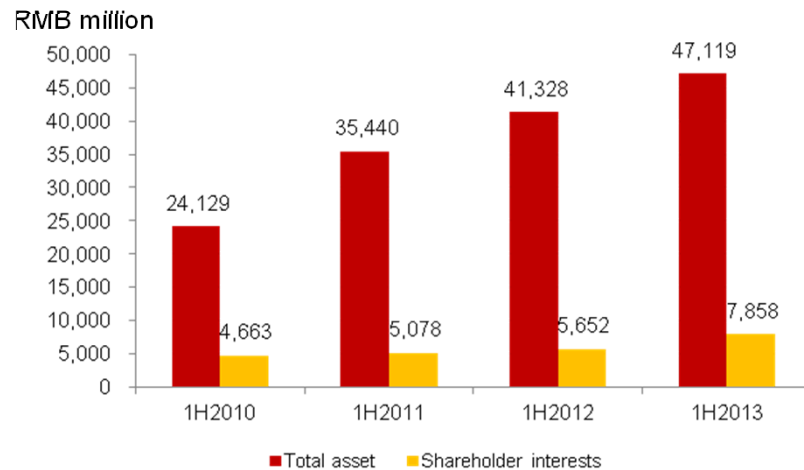
RMB '000	1H2013	1H2012	Change
Revenue	4,889,506	3,484,843	+40%
Gross profit	1,290,266	1,325,371	-2.65%
Operating profit	1,088,523	872,801	+25%
Net profit attributable to parent company	562,161	528,689	+6.33%
EPS (Fully-diluted, RMB cents)	28	26	+7.7%
ROE	7.2%	7.6%	-0.4ppt
Gross profit margin	26%	38%	-12ppt
Net profit margin	15.5%	18.2%	-2.7ppt
Net gearing ratio	81%	102%	-21ppt
Cash on hand (RMB)	7.92 billion	9.16 billion	-15.65%

Stable Financial Performance

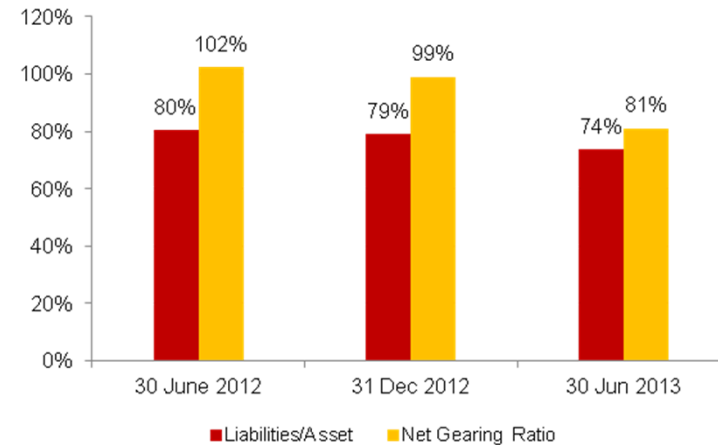
Maintained Stable Profit Margins



Increasing Asset Scale

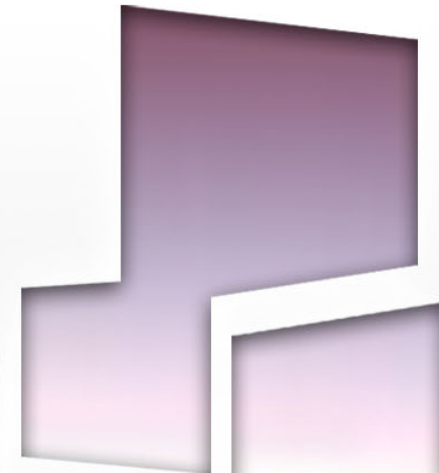
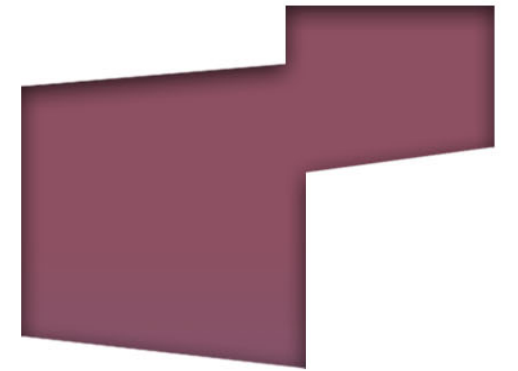


Optimized Capital Structure



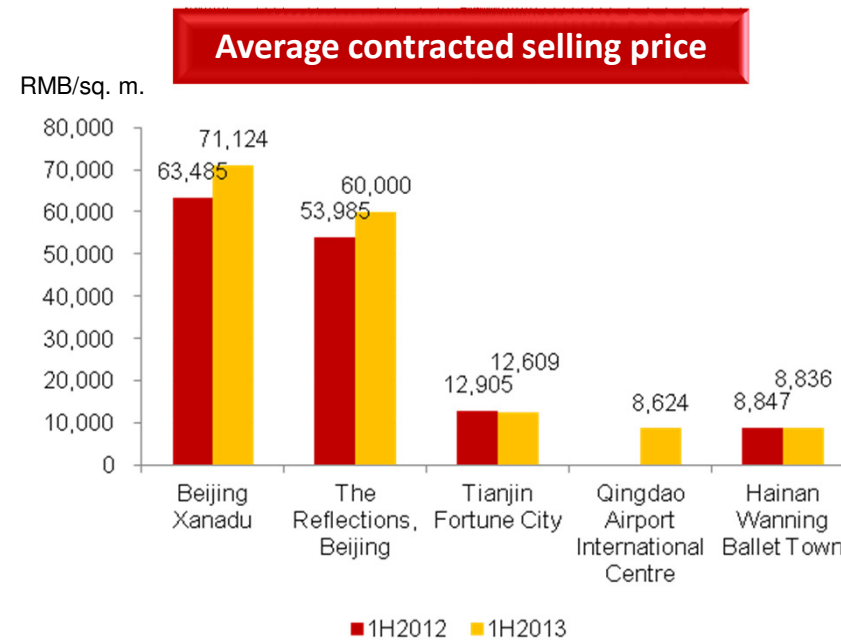
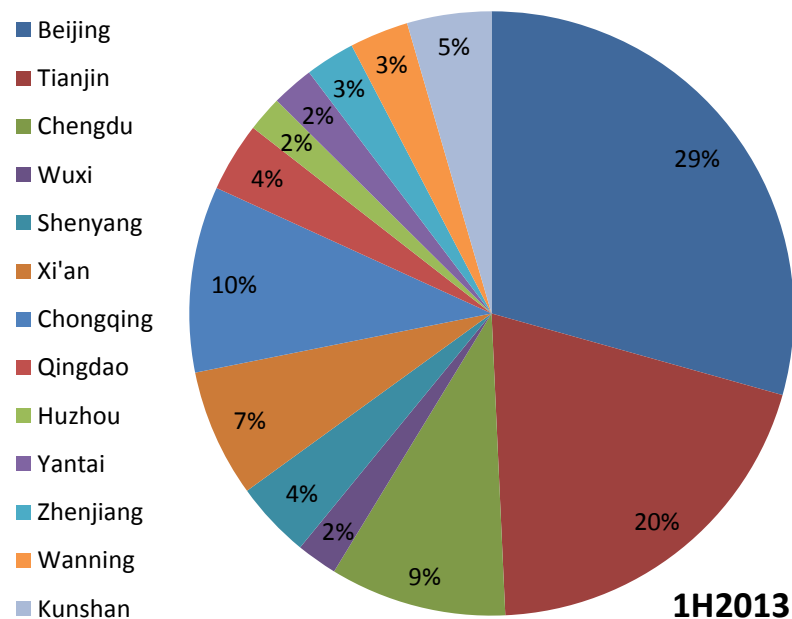
Section III

Business Performance



Contracted Sales Performance in 1H2013

Contracted Sales		Contracted Sold GFA		Avg. Sales Price	
RMB billion	Y-o-Y Change	'000 sq. m	Y-o-Y Change	RMB/sq. m.	Y-o-Y Change
6.59	+7.5%	723	-12.6%	9,110	+23%



□ Fangshan Outlets

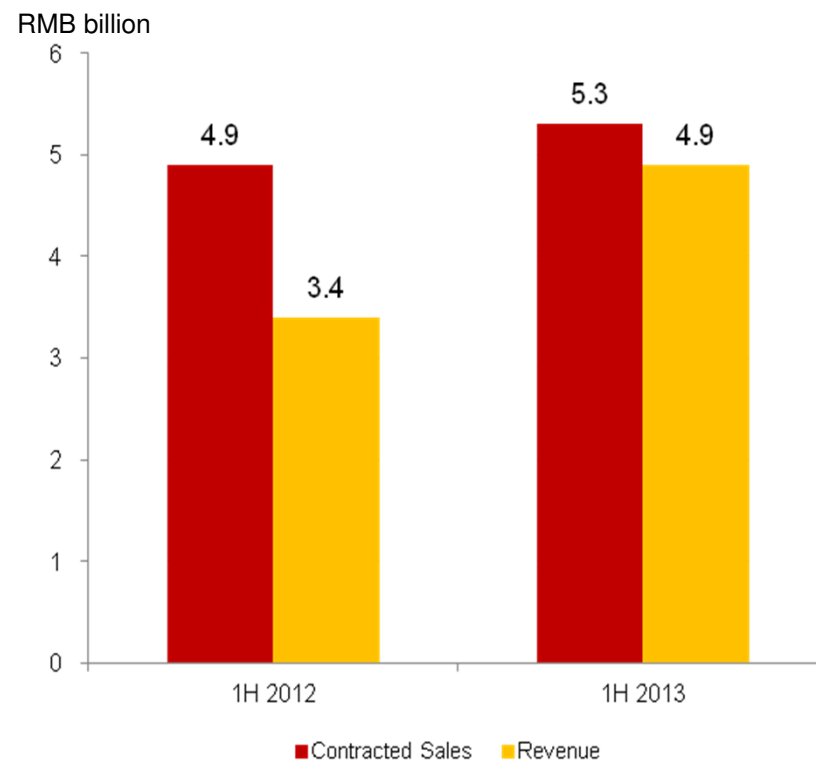
- Phase 2 of Beijing Novotown was officially launched for sale on 25 May 2013
- A total of 352 units appropriated for sale in this launch were all sold out on the debut launch day, achieving subscription sales area aggregating 28,350 sq. m., with the corresponding subscription sales amounting to approximately RMB500 million

□ Kunshan Outlets

- Phase 1 "Capital Novotel" – was officially launched for sale on 2 June 2013
- Received subscriptions for almost 500 units, that were worth RMB300 million in aggregate, on the launch day, making this the best-selling project in Kunshan on the launch day.

Contracted Sales for Consolidated Projects

Unbooked amount of core pre-sales before 2013	Contracted amount of core pre-sales in 1H 2013	Booked amount In 1H 2013	Accumulated unbooked amount of core projects
10.2 billion	5.3 billion	4.9 billion	10.6 billion



- During the first half 2013, the Group's core projects achieved contracted sales amounting to approximately RMB5.3 billion, of which RMB4.9 billion were booked into revenue for the period
- By end-2012, the Group's unbooked presales amounted to RMB10.2 billion. As at 30 June 2013 the unbooked presales amounted to RMB10.6 billion

GFA Completed Construction in 1H2013



Project	Approximate GFA (sq. m.)	Type	Attributable Interest
Tianjin International Peninsula	56,928	Residential	100%
Tianjin Landing House	17,356	Residential	40%
Xi'an First City	175,542	Residential/Commercial /Office	40%
Qingdao Airport International Centre	103,119	Residential/Commercial	100%
Zhenjiang Joyous House	142,243	Residential	100%
Chengdu Wanjuanshan	220,850	Residential	55%
Chengdu Citta Villa	254,191	Residential	55%
Chengdu First City	15,603	Residential	100%
Chongqing Hong'en International Living District	314,853	Residential	50%
Hainan Wanning Ballet Town	65,478	Residential	55%
Total	1,366,163		

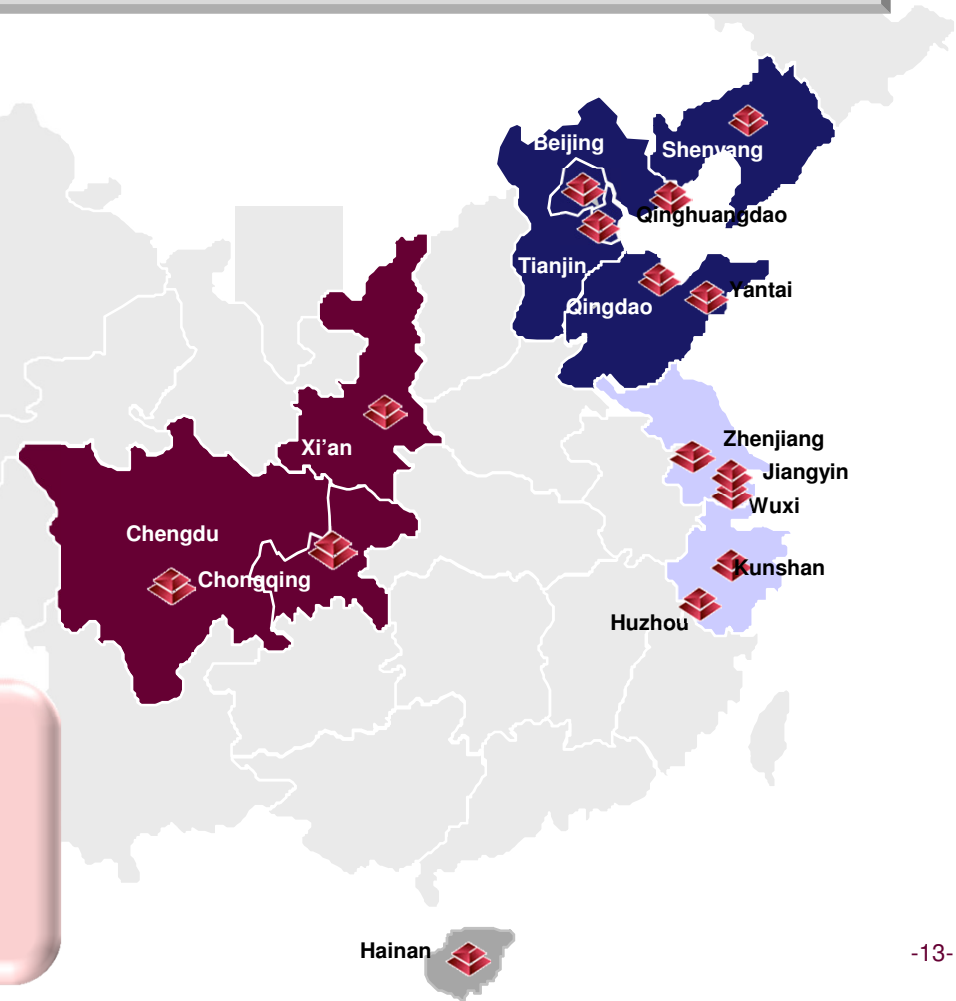
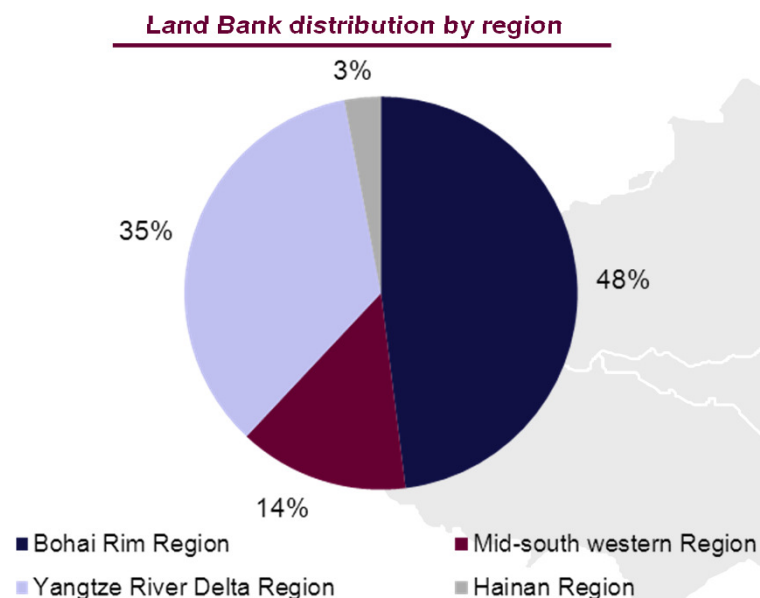
Acceleration of Commercial Properties

- ❑ On 1 May 2013, Beijing Outlets Integrated Project was officially launched for operation and with more than 200 global and local brands, attracting more than 100,000 visitor on the debut day, which generated sales aggregating RMB 8 million. 13 stores hit new sales records in malls across the country, while 7 stores hit new sales records in malls in Beijing on the debut day.
- ❑ This strongly reinforced BCL's "Residence +" innovative business model and set a new milestone for The Group's future development.
- ❑ The Group is dedicated to become leader in Integrated Outlets Projects. Integrated Projects in Huzhou of Zhejiang, Wanning of Hainan, Kunshan of Jiansu and other cities all started leasing simultaneously and prepare the operation debuts respectively.



Land Bank Portfolio

For the six months ended 30 June 2013, Beijing Capital Land had invested in 49 different projects over 15 cities all over the country, the Group's land bank had aggregate GFA of 10.79 million sq. m., total saleable GFA of 9.12 million sq. m. and saleable GFA attributable to the Group's equity interests was 7.1 million sq. m.



- Newly Added Land Reserves in 1H2013**
- Beijing Lize Complex : Total GFA 490,600 sq. m.
 - Tianjin Eco-City: Total GFA 141,170 sq. m.
 - Chongqing Xiyong: Total GFA 482,181 sq. m.
 - Tianjin Hongni River: Total GFA 622,276 sq.m.

Section V

Prospects & Strategies



Challenges and Opportunities

□ Challenges

- Central Government maintains its persistent macroscopic control policies for the property sector, while enlarging the pilot scheme for property taxes
- Product integration and diversification will emerge in the market, creating a competitive environment

□ Opportunities

- Development brought about by the “new model urbanization” plan will increase demand in the property sector
- Increased land supply will alleviate pressure from rising land cost, contributing to long-term healthy development of the property market
- Property developers will be required to achieve optimization and accelerate innovative developments in order to cope with upcoming opportunities and challenges

Abundant Supply Supporting Further Sales Growth



- For the six months ended 30 June 2013, the group's available land bank was 880,000 sq. m.
- In 2H 2013, the projects to be launched had reached approximately 2.2million sq.m.
- In 2H2013, the Group had approximately 3million sq.m. of land supply available for sale

Project Name	Planned GFA Launched in 2H 2013	Project Name	Planned GFA Launched in 2H 2013
Fangshan Huangxinzhuang	123,000	Qingdao Sunny Xiangmi Lake	66,000
Tianjin Fortune City	41,000	Yantai Sunny Chief Yard	182,000
Tianjin A-Z Town	70,000	Qingdao Yangbuzhai	77,000
Tianjin International Peninsula	288,000	Huzhou Joyous House	16,000
Xi' an First City	320,000	Huzhou Outlets	55,000
Zhenjiang Joyous House	92,000	Kunshan Outlets	160,000
Kunshan Jinxi	78,000	Shenyang Shenzhong Street	134,000
Shenyang First City	96,000	Chongqing Xiyong	128,000
Shenyang Qipan Hills First Villa	93,000	Tianjin Eco-city	38,000
Qingdao Airport International Centre	104,000	Tianjin Hongni River	46,000
		Total	2,208,000

Development Strategies

- Continue to optimize the product mix by raising the proportion of housing that satisfies the end-user demand with an aim to meet the full-year sales target of RMB20 billion
- Continue to reinforce BCL's leadership, foundation and strengths in its headquarters in Beijing and Tianjin, while proactively expanding to core strategic regions in Pan Bohai Rim, Yangtze River Delta and mid-south-western region, accumulating premium land resources to support breakthroughs in development scale
- Review and promote the Outlets development model, replicating into other cities to sustain the Group's competitive advantage, while implementing the "Residence + Outlets", "Residence + Tourism" and "Residence + Education" integrated development model
- Continue to pursue the "asset-light" business model, by means of project-level joint ventures and onshore/offshore private equity fund-raising, thereby optimizing our capital structure
- Pursue reforms in management and use economic value-add (EVA) model to evaluate the shareholder value for the Group's operations in all our projects

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