

Beijing Capital Land Ltd
Interim Results 2014
August 2014



首创置业
BEIJING CAPITAL LAND

创造价值 创新生活

1. Results Highlights
2. Business Performance
3. 2H2014 Outlook
4. Appendix

Section I

Results Highlights



Strong operating indicators and healthy financial status

- Jan-Jun 2014 contracted sales reached RMB6.77 bn, up 2.8% yoy
- Net profit increased to RMB 1 bn, up 33% yoy; EPS reached RMB 33 cents
- Gross profit margin reached 23%
- Net gearing ratio: 76.9 %

Focus on three core business lines

- Benefitted by effective land bank strategy: acquired land plots at strategic locations to facilitate the development of core business lines
- Residential: 8 new projects in 5 key cities-Beijing, Tianjin, Shanghai, Chengdu and Chongqing;
 - Multiple projects launched in the same year following land acquisition and achieved solid sales performance
 - Focus on high-turnover, owner-occupied residential projects
- “Residence + Outlets” Complex:
 - Sunken Plaza in Fangshan-stimulated turnover at Beijing BCL Outlet, with 90% average store occupancy rate
 - Trial opening of Hainan Outlets Integrated Project- attracted 30,000 visitors on the first day
 - Outlet projects in Kunshan, Jiangsu Province and other places are speeding up
- Urban Core Complex:
 - Acquired land plot in Beiyunhe, Hebei District, Tianjin, with a total salable GFA of 231,850 sq.m to comprise 146,600 sq. m. for mid-high end residential properties and 85,250 sq. m for commercial complex. The project locates right above the metro line 6.

Maintain Smooth and stable financing channels-domestic and international

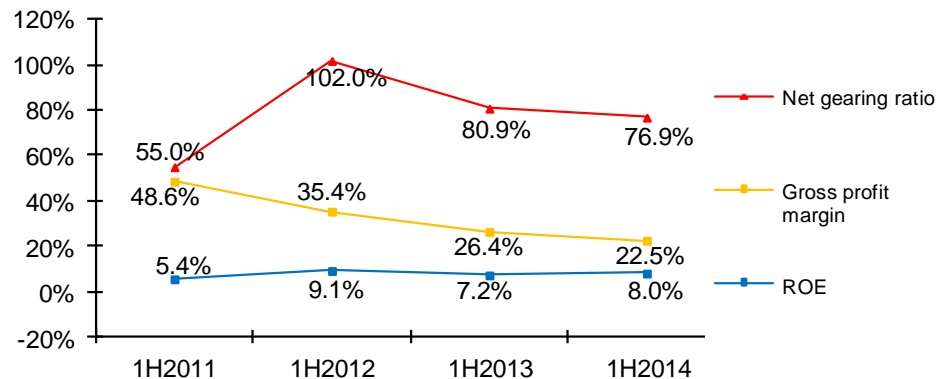
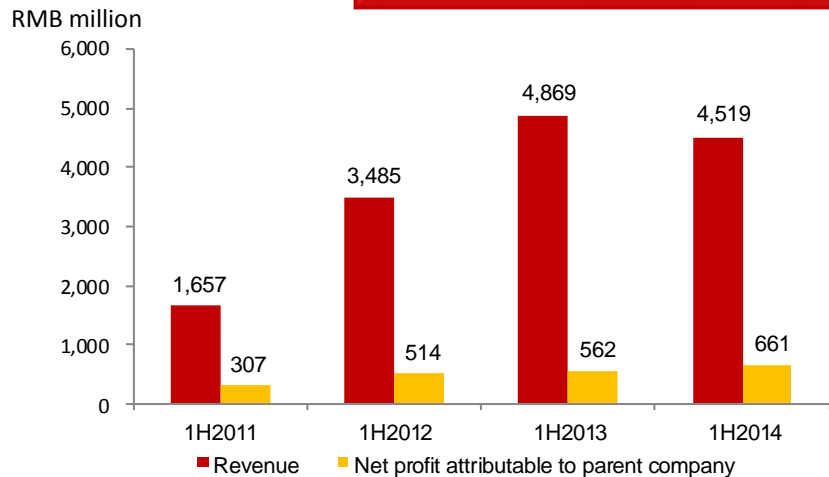
- Issued two tranche of guaranteed medium term senior notes in an aggregate amount of RMB3.25 billion, including an RMB3 billion three-year note at a coupon rate of 5.75%, and an RMB250 million five year note at a coupon rate of 6.875%
- Launched RMB 700 mn property fund with Citic and obtained RMB 1.5 bn through equity financing
- Enjoy diversified and low-cost financing channels – average interest rate of 6.72%

Financial Highlights

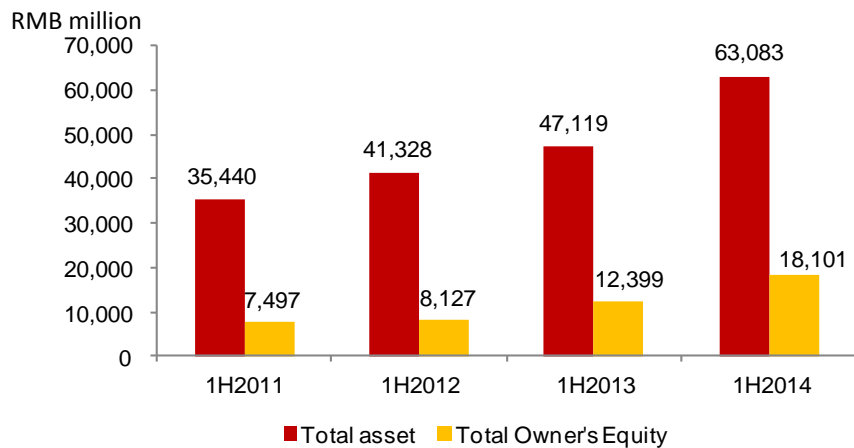
RMB '000	1H2014	1H2013	Change
Revenue	4,519,333	4,889,506	-7.57%
Gross profit	1,015,936	1,290,266	-21.26%
Operating profit	1,308,130	1,088,523	+20.17%
Net profit attributable to parent company	661,434	562,161	+17.66%
EPS (Fully-diluted, RMB cents)	33	28	+5
ROE attributable to parent company	8.00%	7.20%	+0.8ppt
Gross profit margin	22.48%	26.39%	-3.91ppt
Net profit margin	22.31%	15.50%	+6.81ppt
Net gearing ratio	76.94%	80.90%	-3.96ppt
Cash on hand (RMB)	11.67 billion	7.92 billion	+47.35%

Stable Financial Performance

Stable Growth Financial Performance



Increasing Asset Scale



Optimized Loan Structure



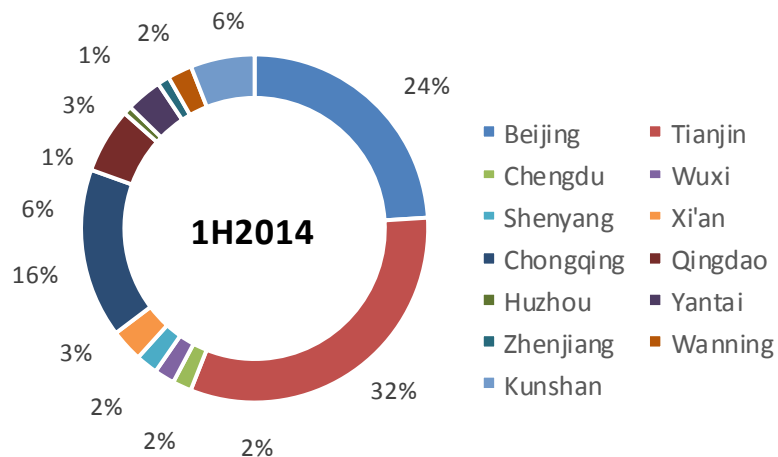
Weighted average interest rate

7.24%
(at 30 Jun 2014)

Contracted Sales Performance in 1H2014

Contracted Sales		Contracted Sales Area		Avg. Selling Price	
RMB billion	Y-o-Y Change	'000 sq. m	Y-o-Y Change	RMB/sq. m.	Y-o-Y Change
6.77	+2.8%	731	+1.1%	9,260	+1.6%

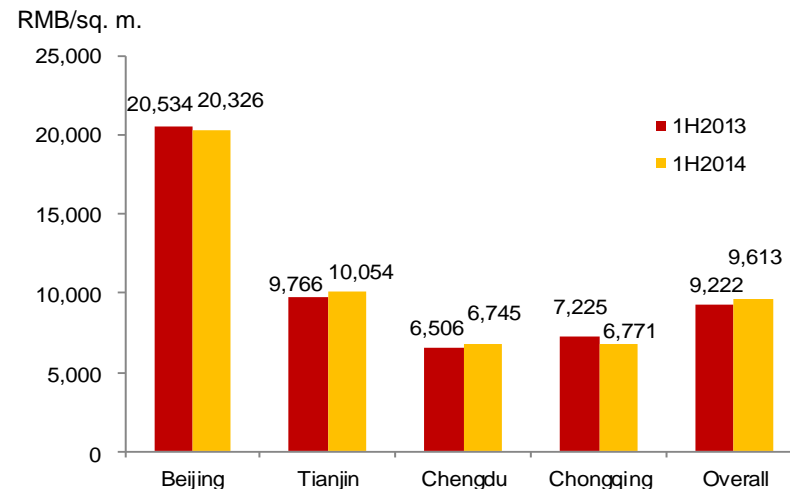
Geographical Distribution of Property sales



Focus on traditional growth regions and core business

- Geographically, Beijing, Tianjin, Chengdu and Chongqing accounted for 73% of the sales, reflecting the Company's sound execution of a focused sales strategy
- Beijing and Tianjin accounted for 56% of sales, up 7% yoy
- Tianjin accounted for 32% of sales, up 12% yoy

Residential Projects Average Selling Price



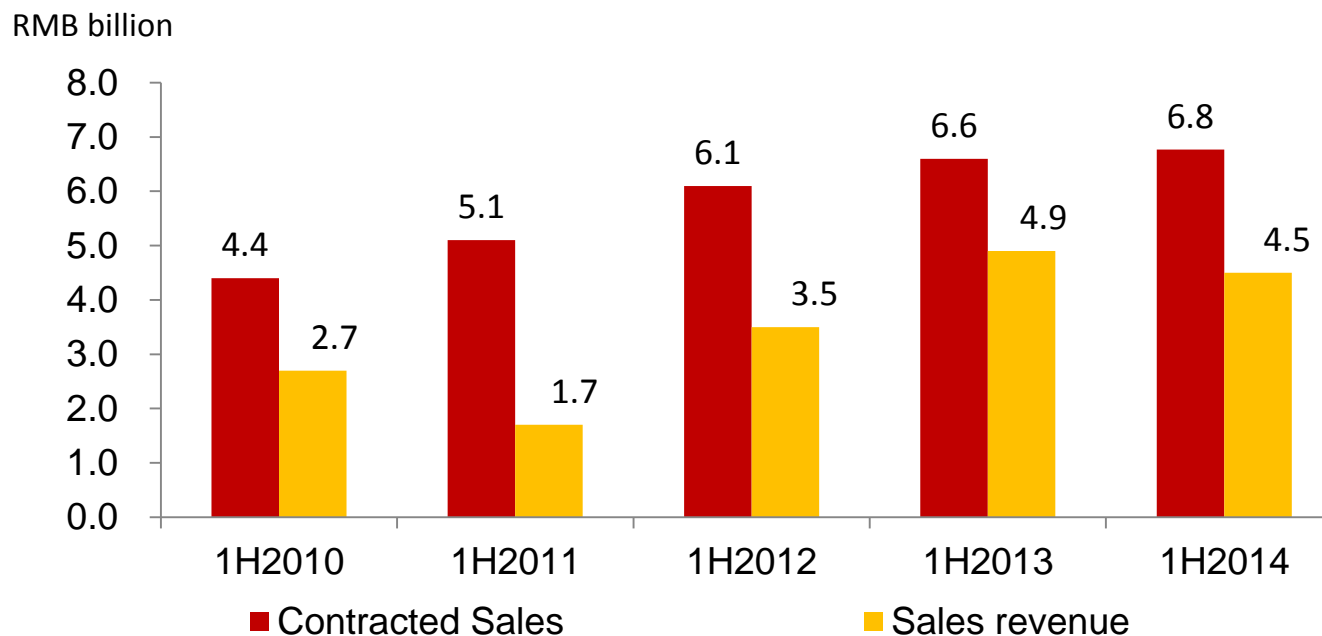
Value increased in core cities

- Average selling price for major projects in core cities keeps stable
- Beijing Novotown's average selling price increased from 17,206 RMB/sq.m to 21,616 RMB/sq.m, up 26%. Tianjin Fortune City's selling price increased from 12,609 RMB/sq.m to 17,559 RMB/sq.m, up 39%.

Contracted sales and sales revenue

Unbooked amount of core pre-sales before 2014	Contracted amount of core pre-sales in 1H2014	Booked amount in 1H2014	Accumulated unbooked amount of core projects
<u>11.5 billion</u>	5.5 billion	4.3 billion	<u>12.7 billion</u>

Stable growth of contracted sales and sales revenue



Contracted sales in 1H2014 reached a historical high of **RMB6.77B**

GFA Completed Construction in 1H2014

Project	Type	Approximate GFA (sq. m.)	Attributable Interest
Beijing Landscape Villa Project Third phase	Residential	19,853	100%
Kunshan Jinxi Project First phase	Residential/Commercial	86,061	51%
Yantai Sunny Chief Yard Project First phase	Residential	98,565	100%
Chengdu Wanjuanshan Project Second phase and Third phase	Residential/Commercial	323,369	55%
Shenyang First City Project Fourth phase	Residential	101,259	30%
Xi'an First City Project Sixth phase	Residential/Commercial	290,911	40%
Total		920,018	



Section II

Business Performance



Land Acquisition in 2014

- ❑ **Expansion in five core cities:** Beijing, Shanghai, Tianjin, Chengdu and Chongqing
- ❑ **Focus on owner-occupied residential projects:** to provide ample stock for sales
- ❑ **Optimized Acquisitions:** took advantage of price correction in the property market to acquire land in 1H2014
- ❑ **Aggregate GFA of new projects:** 2.78 million sq.m.
- ❑ **Entered Overseas market:** invested a residential project in Sydney, Australia

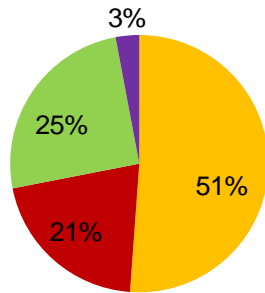
Land Acquisition in 2014

Cities	Project Name	Site Area of lands ('0000 sq.m.)	GFA ('0000 sq.m.)	BCL's equity
Beijing	Zhaoquanying F1-01	2.7	6.0	100%
	Zhaoquanying No. 2 Land Plot	13.9	24.3	100%
	Zhaoquanying No. 4 Land Plot	11	20.3	100%
	Pinggu Daxingchuang Town Project	8.3	19.3	10%
	Fangshan Gaojiao Park Project	5.6	20.2	100%
Shanghai	Jiading Industrial Zone Project	12.3	32.2	100%
Tianjin	Beiyunhe River Phase Two Project	6.3	33.2	100%
Chongqing	Shapingba Project	21.8	84.8	21%
Chengdu	Longhua District Project	8.7	37.9	100%
Subtotal		90.7	278.2	
Overseas	Project Eve in Sydney, Australia	0.8	1.5	40%
Total		91.5	279.7	

Land Bank Portfolio

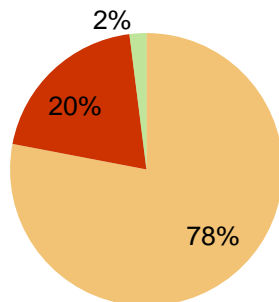
As at 31 Jul 2014, the Group's land bank had an aggregate GFA of 12.08 million sq.m., and a total site area of 9.88 million sq.m. (7.03 million sq.m. of which was attributable to the Company's equity interests). Of the total GFA in the land bank, 78% is for residential projects, 20% for commercial & Office projects, 2% for hotel use. The existing land bank is well-scaled and will cover development requirements for the next three to four years.

Land Bank distribution by region

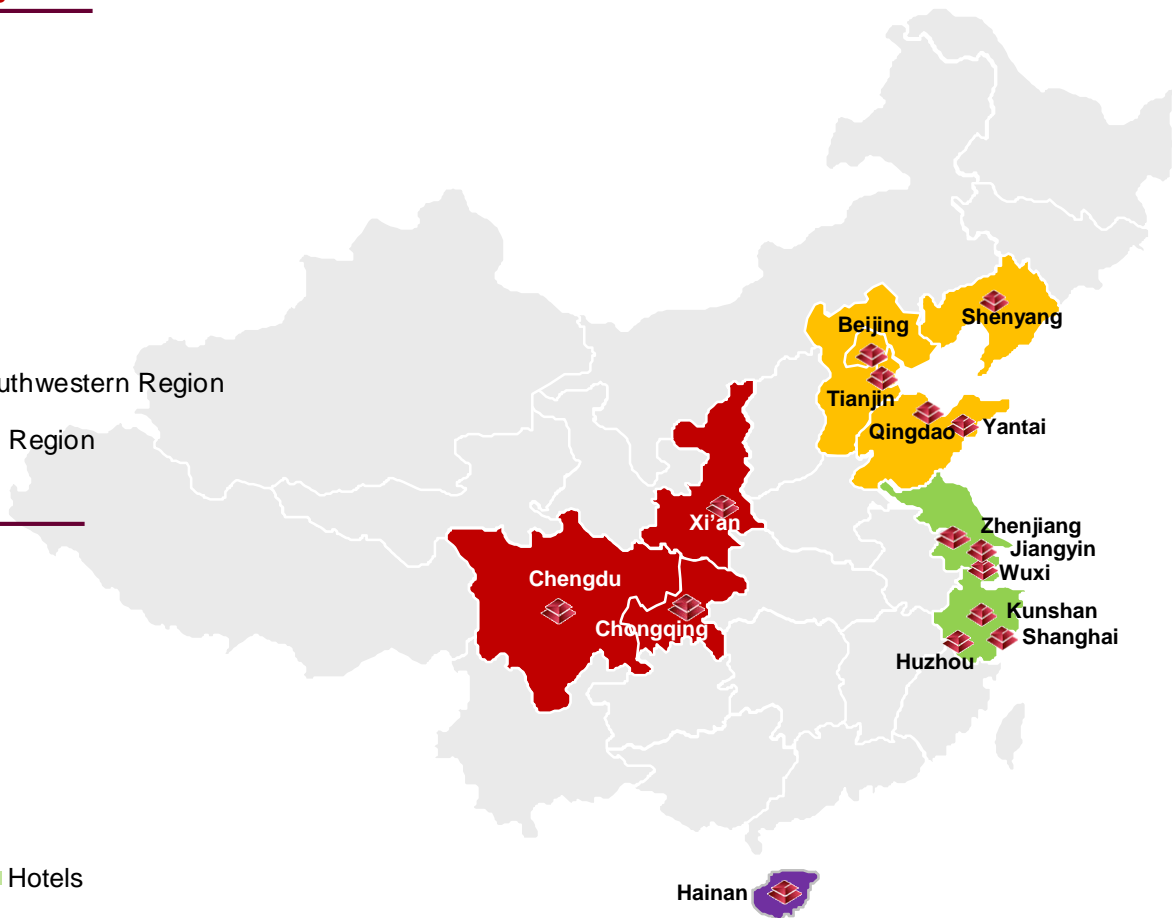


- Bohai Rim Region
- Yangtze River Delta Region
- Mid-southwestern Region
- Hainan Region

Land Bank by usage



- Residential
- Commercial & Office
- Hotels



“Residential + Outlets” Series

□ Beijing Outlets

- Opened in May 2013 ; Current occupancy rate: 90% ; Gross leasable area: 58,000 sq.m.
- Overall sales grew 50% as Sunken Plaza launched in Jan 2014



□ Hainan Outlets

- Trial operation in Jun 2014 ; Attracted 30,000 visitors on the first day ; 45 brands moved in
- Granted “Certified Mall for Tourism” and set to attract more visitors



□ BCL Outlet Brand Strengthened Influence

- In March 2014, BCL held its “BCL Outlet Strategy Launch and Partner Brands Sharing Conference”, bringing together more than 360 brands and over 460 participants. The visibility of BCL Outlet brand has been further enhanced



Primary and Secondary Land Development

- Capitalize the opportunities from the Beijing-Tianjin-Hebei Integration Plan
- This region set to be the most important economic growth engine in North China
- A strategic land investment and development plan to capture the growth
- Three primary + secondary land development projects in 1H2014
 - Zhaoquanying, Shunyi District, Beijing
 - Jinhaihu, Beijing
 - Wuqing, Tianjin



● Primary land development increased land value

In June 2014, Plot 1-1 in Wuqing, Tianjin was sold for RMB 60 mn with 203% premium through the open market, which translated into 67% gross profit margin

● Secondary land development facilitated by primary development

The company has acquired three secondary land development projects in Zhaoquanying, Shunyi District, Beijing, with an aggregate GFA of 506,614 sq.m.

Rationale Behind the Overseas Expansion

- ❑ Overseas business provides new opportunities and mitigate the cyclical impact from a single market
- ❑ More Chinese look for ways to invest abroad and more Chinese enterprise to expand globally
- ❑ Business has extended to Australia and France; continue to look for investment opportunities in Australia, UK and US with a focus on residential projects

Project Eve

First Overseas Mid to High-end Apartment Project

- ❑ Successfully formed a Joint Venture with Fridcorp in Jul 2014
- ❑ Situated just three kilometres from the central business district of Sydney
- ❑ Nearly 100 units were sold within first two hours



Project Eve,
Macdonald Street,
Erskineville, Sydney



Sino-French Economic and Trade Cooperation Zone

- ❑ Launched in Jun 2014, with a GFA of 470 hectares in its first stage
- ❑ Located in Chateauroux, capital of the Indre department in central France.
- ❑ Its pillar industries include: new energy, new materials, high-end equipment manufacturing, bio-medicine and electronic information technology.

Sino-French
Economic and Trade
Cooperation Zone
Chateauroux, France

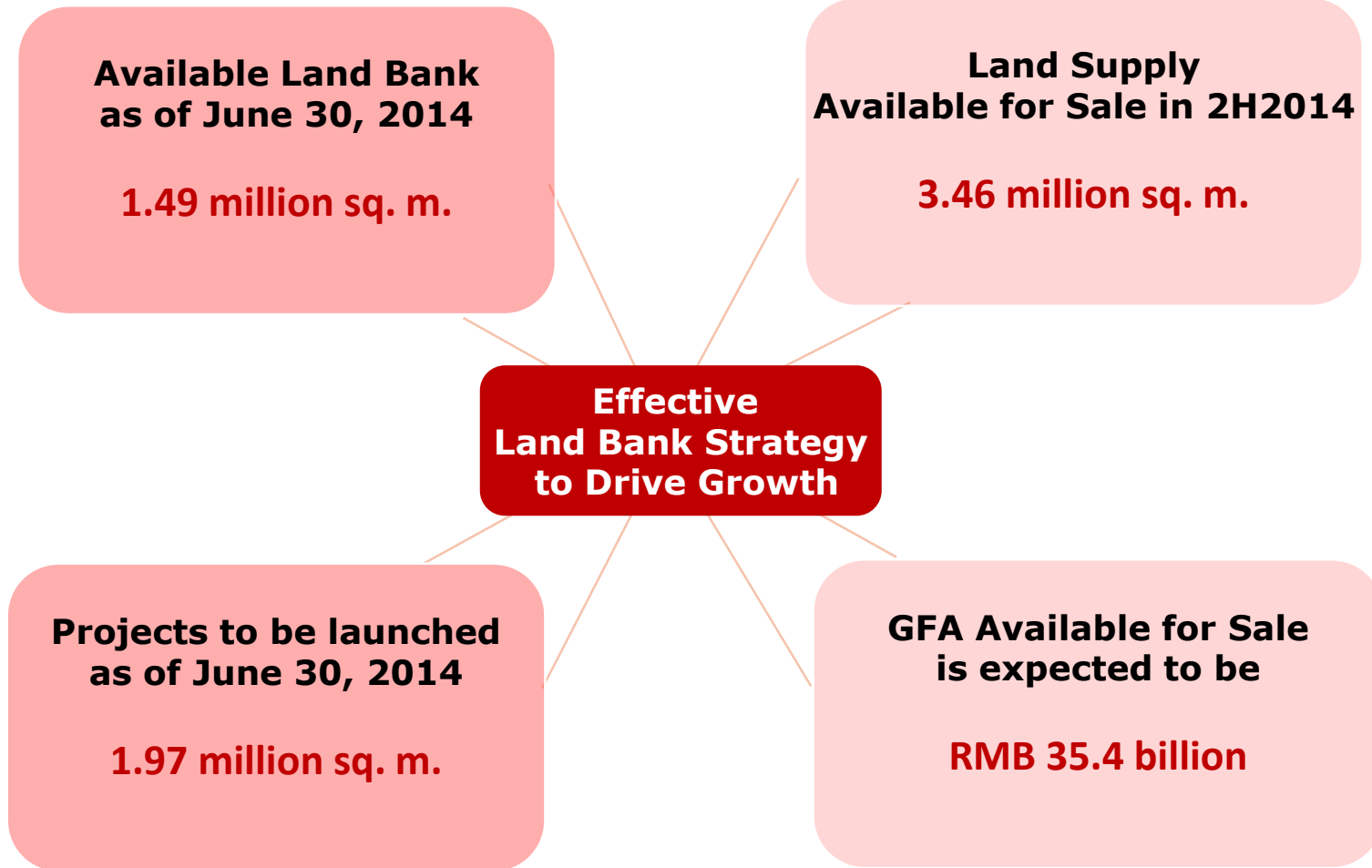


Section III

2H2014 Outlook



Abundant Land Supply Supporting Growth



Development Strategies

1

Adopt a strategy of “Achieving certain scale, Accelerating turnover, Decreasing inventory and Adjusting structure” and provide more products to meet the increasing demand for housing; encourage use of a performance assessment system and innovative e-marketing strategy; use more flexible sales strategy to cope with market trends; strengthen the execution of incentive schemes; spare no efforts to achieve its annual sales target of RMB28 billion.

2

Stick to the five-year strategic plan and focus on core regions and main business lines; keep to a conservative resource acquisition strategy; implement land investment plans for the year; “Residential Properties” business line to focus on developing products for owner-occupiers with a high turnover in the five core cities; “Residence + Outlets Complex” business line to expand in selected target regions and strive for greater expansion within the year.

3

Promote the new customer value service platform of “Affordable Life” and the development of Capital Property Company Limited; leverage the integrated community resources centered on residence to develop a one-stop service platform for residents; to launch the platform in one or two communities in 2H2014.

4

Leverage domestic and overseas financing platforms to obtain equity and debt financing; raise large scale and long-term capital at low cost for business development, improve the financial structure, and lower financial risks.



首创置业
BEIJING CAPITAL LAND

创造价值 创新生活

Q&A



Section IV

Appendix



List of Land Supply

Project Name	Available GFA as of Jun 30 2014 (sq.m.)	To be launched GFA in 2H 2014 (sq.m.)	Approximate GFA available for sale in 2H 2014 (sq.m.)
The Reflections, Beijing	2,845	-	2,845
Ealing County, Beijing	8,623	133,024	141,647
Landscape Villa, Beijing	40,053	35,000	75,053
Xanadu, Beijing	24,098	11,267	35,365
Zhao QuanYing Project, Beijing	-	123,625	123,625
Pinggu Daxingzhuang Town Project, Beijing	-	132,629	132,629
Beijing Daxing Village Project	-	103,000	103,000
Shanghai Songjian Project	-	32,400	32,400
International Peninsula, Tianjin	88,530	207,000	295,530
Tianjin A-Z Town	8,650	13,029	21,679
Noble City, Tianjin	16,664	-	16,664
Landing House, Tianjin	7,662	-	7,662
Mangrove Bay, Tianjin	15,014	-	15,014
Cambridge County, Tianjin	27,270	71,354	98,624
Eco Village, Tianjin	40,905	209,000	249,905
Xuan Community, Tianjin	14,122	166,793	180,915
Xi'an First City	112,198	62,008	174,206
Qingdao Airport International Centre	23,819	19,049	42,868
Qingdao Central Park No.1	5,308	-	5,308
Qingdao Yangbuzhai Project	9,504	-	9,504

List of Land Supply (con.)

Project Name	Available GFA as of Jun 30, 2014 (sq.m.)	To be launched GFA in 2H 2014 (sq.m.)	Approximate GFA available for sale in 2H 2014 (sq.m.)
Qingdao Sunny Xiangmi Lake	17,133	-	17,133
Qingdao Sunny Chief Yard,	29,122	33,239	62,362
Zhenjiang Joyous House	19,946	78,174	98,120
Kunshan Eastern Mystery	51,963	-	51,963
Wanjuanshan, Chengdu	65,347	-	65,347
Chengdu Città Villa	55,611	-	55,611
Chengdu First City	26,515	-	26,515
Gentle Housei, Wuxi	6,538	-	6,538
Joyous House, Wuxi	34,435	-	34,435
Auspicious House, Jiangyin	33,571	-	33,571
Chongqing Hong'en International Living District	38,145	54,504	92,648
Chongqing Eco Village	86,593	38,202	124,795
Shenyang First City	101,405	-	101,405
Qipan Hills First Villa, Shenyang	12,003	-	12,003
Shenyang Eco Village	124,704	194,266	318,970
Beijing Integrated Outlets Project	2,110	-	2,110
Beijing Novotown	23,472	-	23,472
Huzhou Integrated Outlets Project	-	18,669	18,669
Huzhou Joyous House	35,231	-	35,231
Kunshan Outlets Integrated Project	252,128	213,237	465,365
Hainan Integrated Outlets Project	28,135	18,717	46,851
Total	1,489,371	1,968,186	3,457,557

Disclaimer

All information contained in this presentation is provided for reference only.

Some information relating to forward-looking statements of future events or future financial, business or development of the Company is subject to various risks and uncertainties that could cause actual results to differ materially. Neither the Company nor any of its respective subsidiaries, directors, employees or advisors, directly or indirectly, gives any representation or warranty as to the completeness and accuracy of all the information contained therein (including all the forward-looking statements).

The Company expressly disclaims all the liabilities in respect of any loss incurred or sustained by the participants of this presentation, their employers, entities, agents or any of their related parties as a result using the information contained in this presentation.