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BEIJING CAPITAL LAND

创造都市新生活
Create New Urban Life

Beijing Capital Land Ltd. 2868.HK Annual Results 2014

February 2015



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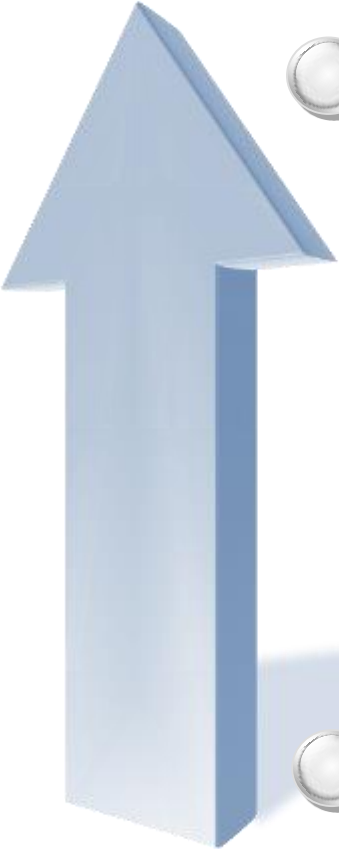
Appendix



Section 1

Results Summary

Results Highlights

- 
- Record Breaking:** RMB24.9bn contracted sales, up 27% YoY; industry ranking moved up to 24th from 42nd *
 - Investment Focus:** RMB19.4bn land investment, up 66% YoY, Beijing, Shanghai accounting for 70%
 - Financing Breakthrough:** Deemed new listing of Juda International (1329.HK); expanded cooperation with insurers and PE funds
 - Revolution Strategy:** Staff co-investment programs launched for 8 projects
 - Accelerating Operation:** Avg. 8.4 months launch sales for new projects
 - Commercial Property Expansion:** 2 new outlets; cooperating with 674 brands
 - Developing Overseas:** Invested in two Sydney residential projects, sold out immediately with RMB2.28bn in contracted sales

*Source: 2014 China Property Companies with Contracted Sales over RMB10 Billion, China Index Academy



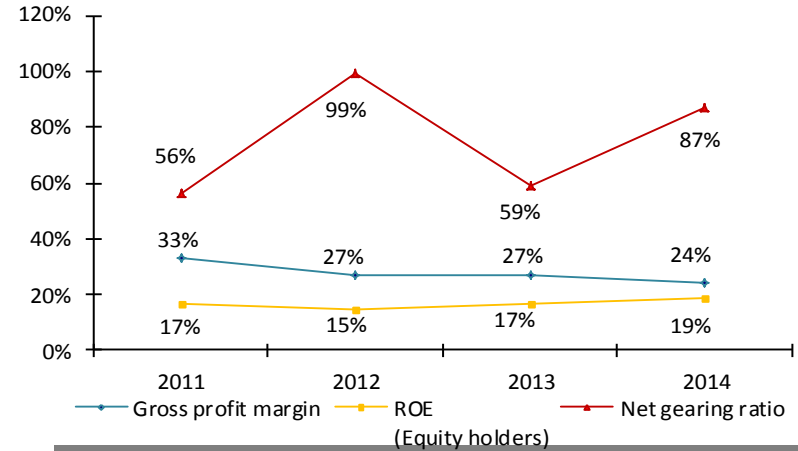
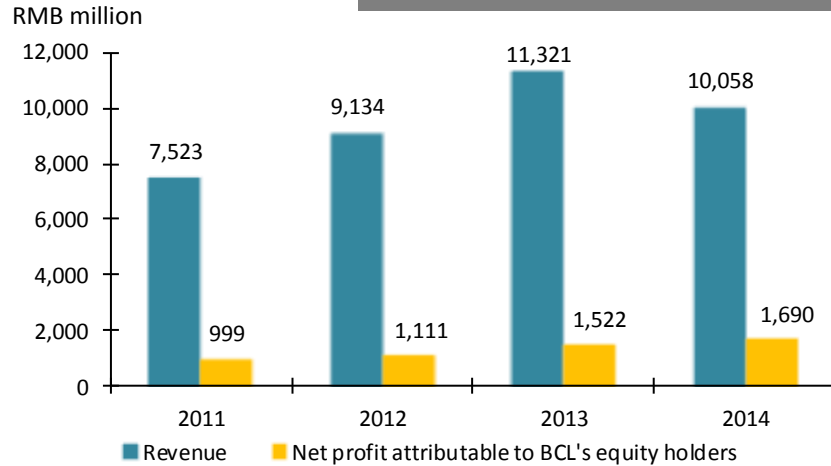
Financial Results

RMB '000	2014	2013	YoY Change
Revenue	10,057,967	11,320,840	-11.2%
Operating profit	2,875,276	2,426,553	18.5%
Net Profit	2,263,729	1,913,723	18.3%
Net profit attributable to parent company	1,689,741	1,522,006	11.0%
EPS (Fully-diluted, RMB cents)	83	75	10.7%
ROE attributable to parent company	18.5%	17.5%	1.0 ppt
Gross profit margin	24.1%	27.4%	-3.3 ppt
Net profit margin	22.5%	16.9%	5.6 ppt
Net gearing ratio	87.0%	58.5%	28.5 ppt
Cash on hand (RMB)	13.9 billion	11.34 billion	22.6%

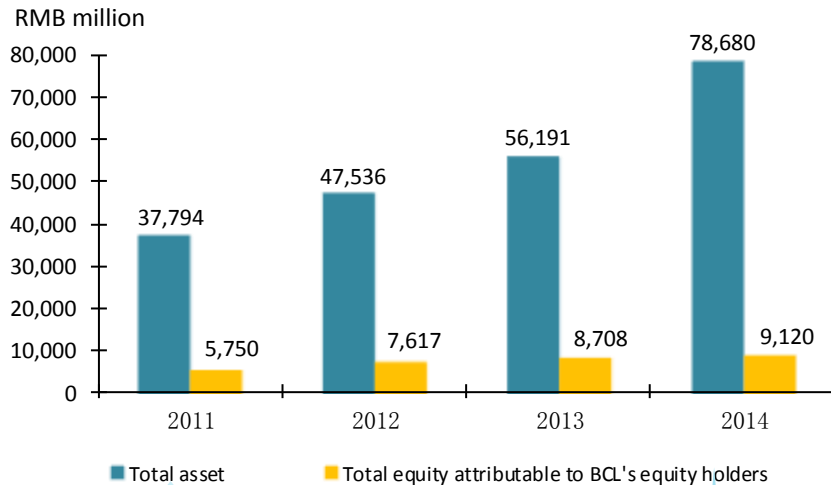


Stable Financial Performance

Stable Growth Financial Performance



Increasing Asset Scale



Optimized Loan Structure



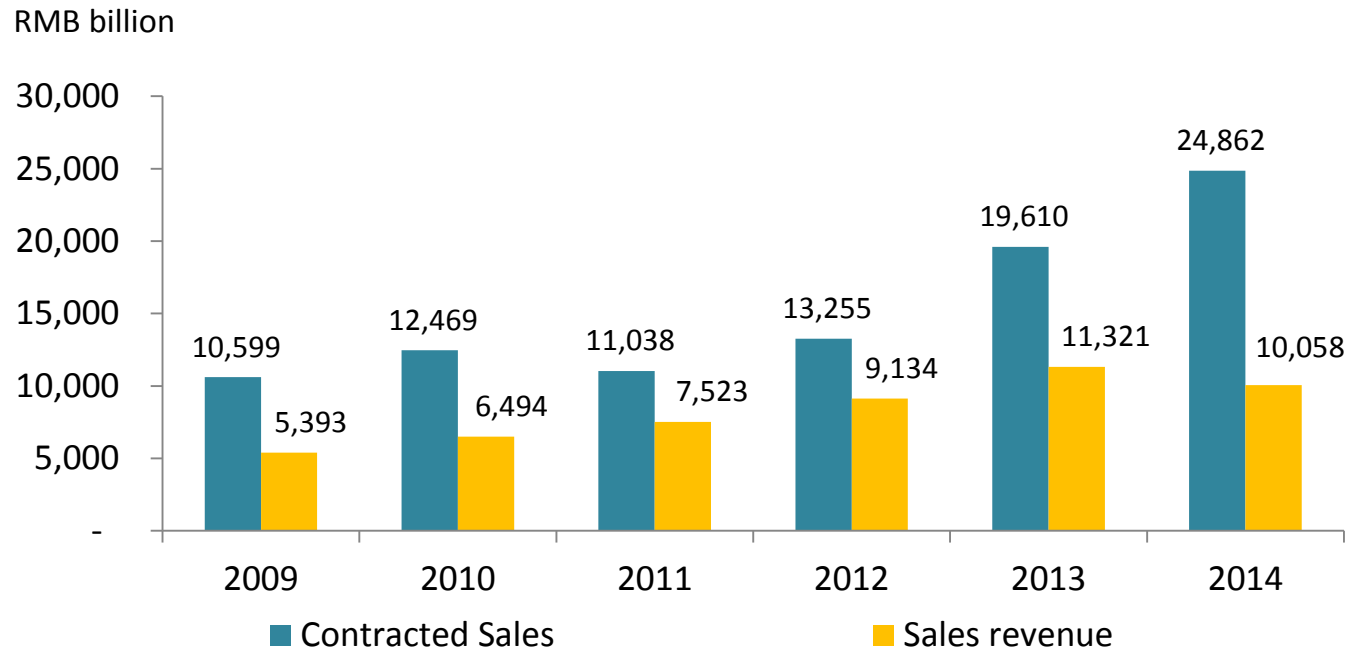
Weighted Average Interest Rate: **7.24%***

*as at 31 December 2014

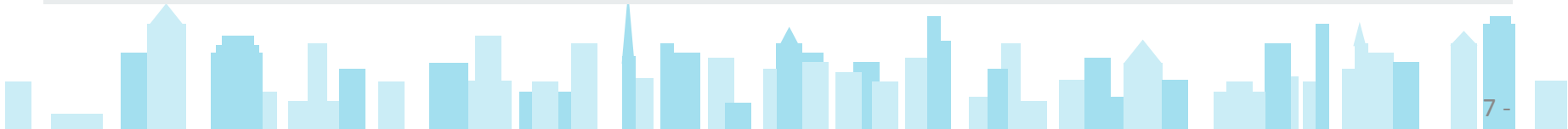
Contracted Sales and Sales Revenue

Unbooked amount of core pre-sales before 2014	Contracted amount of core pre-sales in 2014	Booked amount in 2014	Accumulated unbooked amount of core projects
RMB9.5bn	RMB19.6bn	RMB10.1bn	RMB19bn

Contracted Sales and Sales Revenue



Contracted sales in 2014 reached record **RMB24.86bn**



Section 2

Business Highlights

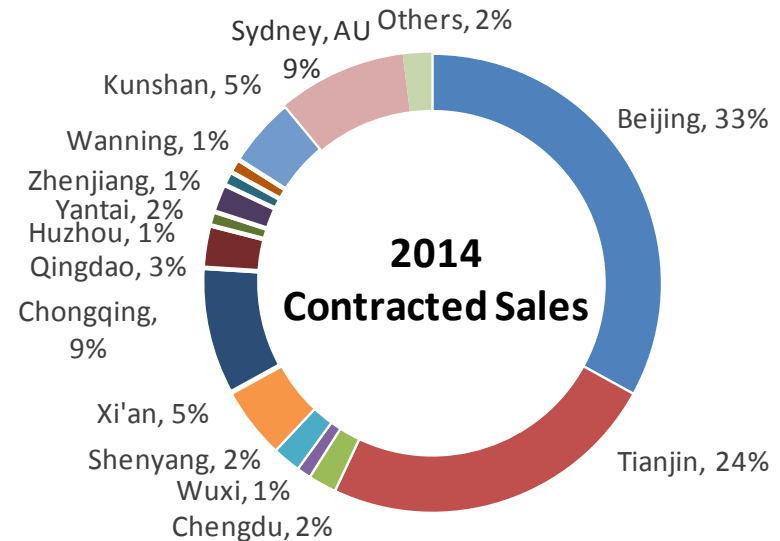
Contracted Sales Performance in 2014

Contracted Sales		Contracted Sales Area		Avg. Selling Price	
RMB billion	YoY Change	'000 sq. m	YoY Change	RMB/sq. m.	YoY Change
24.86	+26.8%	2,495	+29.8%	9,965	-2.3%

Contracted sales in 2014 broke the record to RMB24.86bn, up 26.8% YoY
Industry ranking surged to 24th from 42nd in 2013*

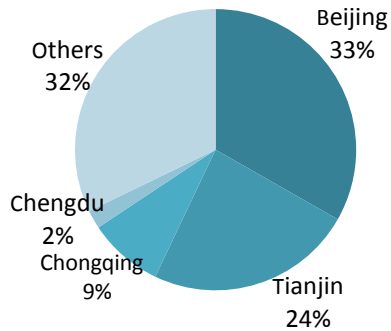
Focusing on traditional strategic regions and selected overseas markets

- Beijing, Tianjin, Shanghai, Chengdu, Chongqing accounted for 68% of sales,
- Beijing and Tianjin accounted for 57% of sales, up 1ppt YoY
- Sydney, Australia accounted for 9% of sales, demonstrating great potential

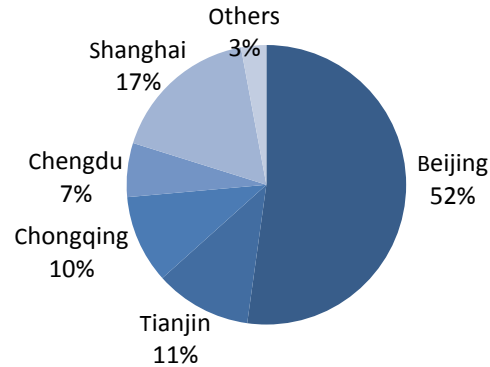


*Source: 2014 China Property Companies with Contracted Sales over RMB10 Billion, China Index Academy

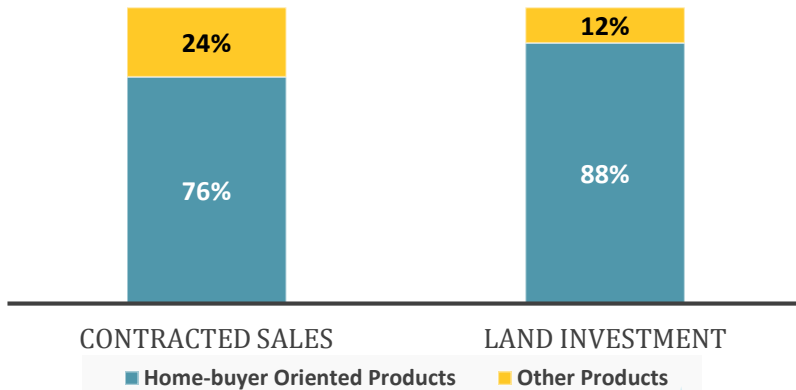
2014 Contracted Sales Breakdown by Region



2014 Land Investment Breakdown by Region



Home-buyer-oriented per Contracted Sales and Land Investment in 2014



Focusing on Core Regions

Sales

- Beijing: RMB8.21bn (33% of total contracted sales)
- 5 core cities: RMB16.8bn (70% of total contracted sales)

Investment

- All new land investment in 2014 was located in 5 core cities
- Total investment in Beijing and Shanghai reached RMB13.5bn (69% of total investment)

Focusing on Strong-Demand Products

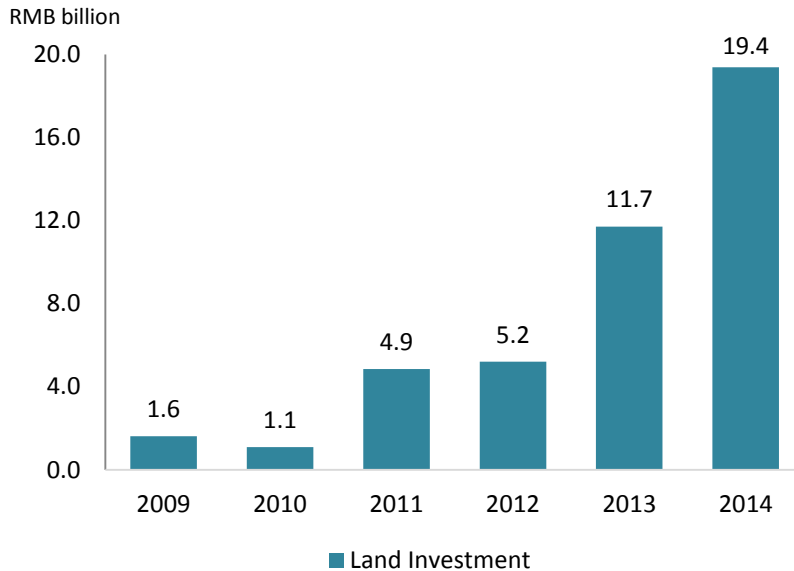
Sales

- home-buyer-oriented products totaled RMB19bn (76% of total contracted sales)

Investment

- new investment in home-buyer-oriented projects totaled RMB17bn (88% of total investment)

2009-2014 Land Investment



- Investment in 5 core cities + overseas regions: **RMB19.4bn (+66% YoY)**
- Ground GFA acquired: **2.74mn sq.m. (+25% YoY)**

- Investment in Beijing: RMB10.1bn, 930,000 sq.m
- Investment in Shanghai: RMB3.3bn, 430,000 sq.m.
- Strengthening market position in Beijing while building brand and enhance reputation in Shanghai

Breakthrough in BJ & SH

- Overall premium as low as 11% during the year as most land investment completed by July when market had not yet recovered

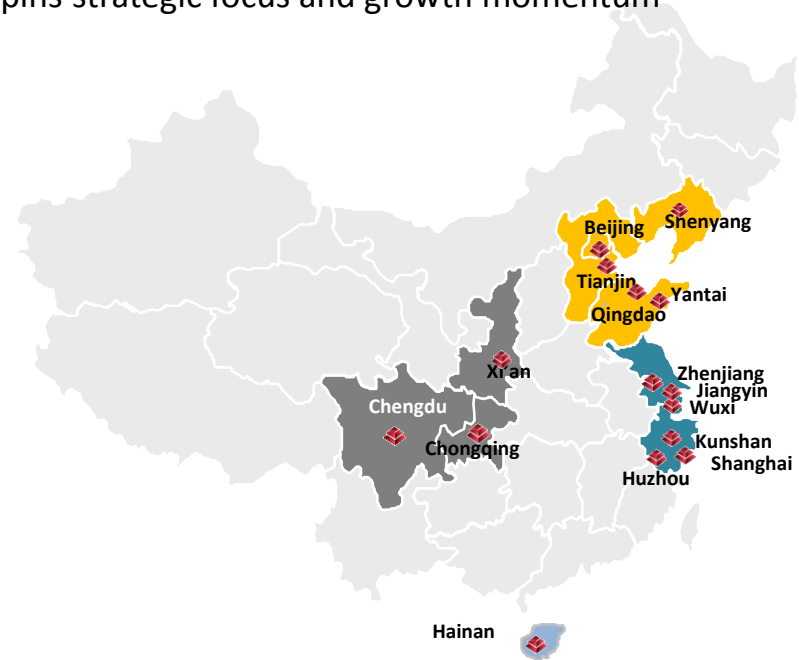
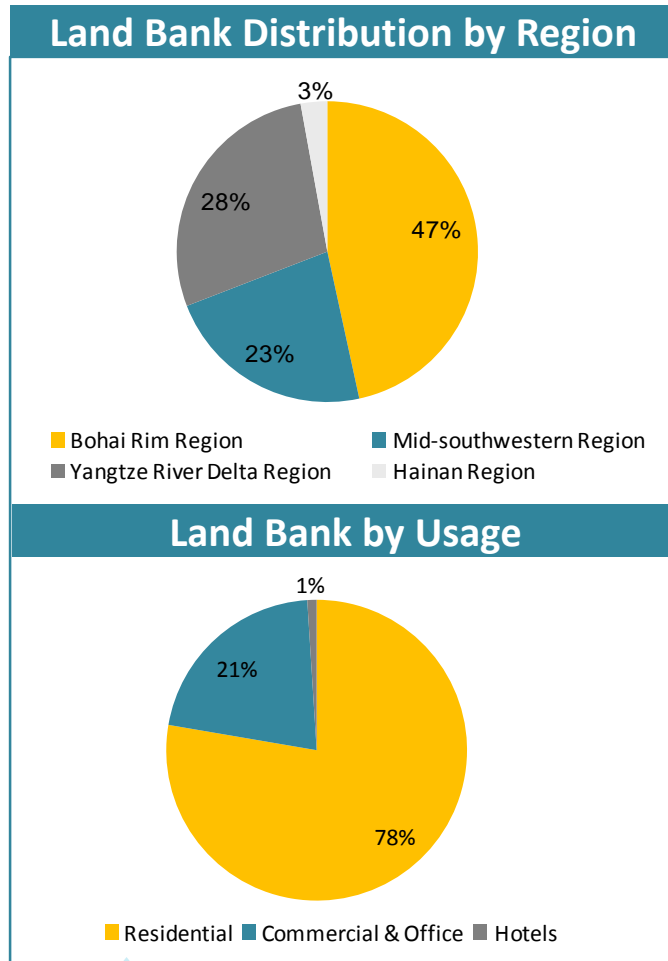
Opportunities Captured

- Newly added investment focused on high turnover, home-buyer-oriented products: RMB6.3bn contracted sales in 2014
- Forecast: RMB40bn+ contracted sales

Future Growth Momentum

Sufficient Land Bank (con.)

- The Group has **10.91mn sq.m GFA / 8.82mn sq.m ground area** land bank , sufficient for next 3-4 years*
- **5 core cities** accounts for 55% land bank, underpins strategic focus and growth momentum



Core land resources in Beijing and Tianjin

- Tower 5, Beijing Xanadu and Hujialou redevelopment project phase 2 – both at CBD
- Beijing Langjiayuan primary land development project at CBD
- Beijing Shijingshan and Jinhai Lake primary land development projects
- To acquire **3.5 million sq. m.** for Tianjin Wuqing primary land development project phase 2 in addition to the existing 3 million sq.m. land

*as at 31 December 2014

Project EVE



Project Carlingford



Solid Foundation

- ❑ Pioneer in international collaboration
- ❑ Rich cross-border cooperation experience
- ❑ GIC is the large shareholder since 2003
- ❑ Sino-France Economic Cooperation Zone in France in 2012
- ❑ Strong track record in identifying and selecting overseas projects

Breakthrough in 2014

- ❑ Cooperated with Australian local developer and invested in two residential projects in Sydney
 - July: Launched Project Eve in Sydney
 - December: Launched Project Carlingford in Sydney
- ❑ Both project sold out immediately after launch, recording RMB2.28bn contracted sales

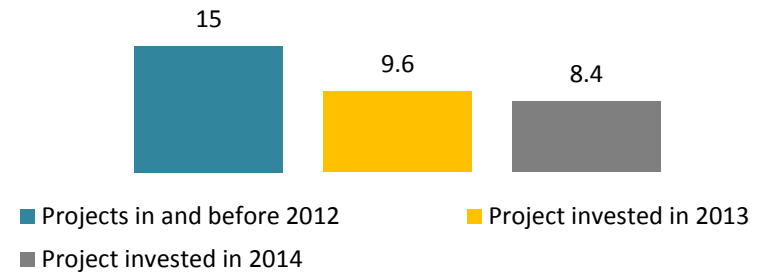
Development accelerated:

- Average launch of construction period for new projects was **5.5** months
- Launch of sales period for new projects significantly shortened from 15 months in 2012 to **8.4** months in 2014

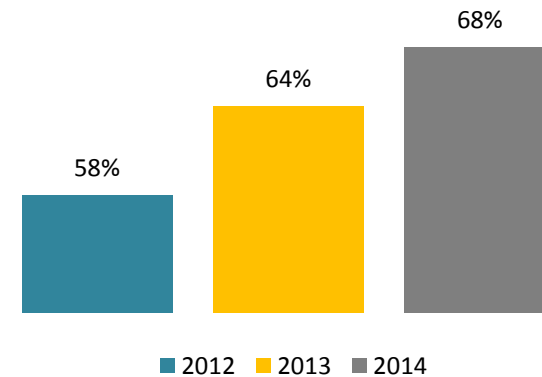
□ **Higher sell-through rate:** 68% sell-through rate in 2014 (2.49 million contracted sales area out of 3.66 million salable area), higher than 2013 (64%) and 2012 (58%)

□ **Same year turnover:** Most new projects obtained in 1H2014 managed to launch within the year, contributing RMB6.3bn contracted sales

Improved Time to Launch Sales (Month)



Increasing Sell-through Rate*



*Sales Rate = Contracted Sales Area / Salable Area



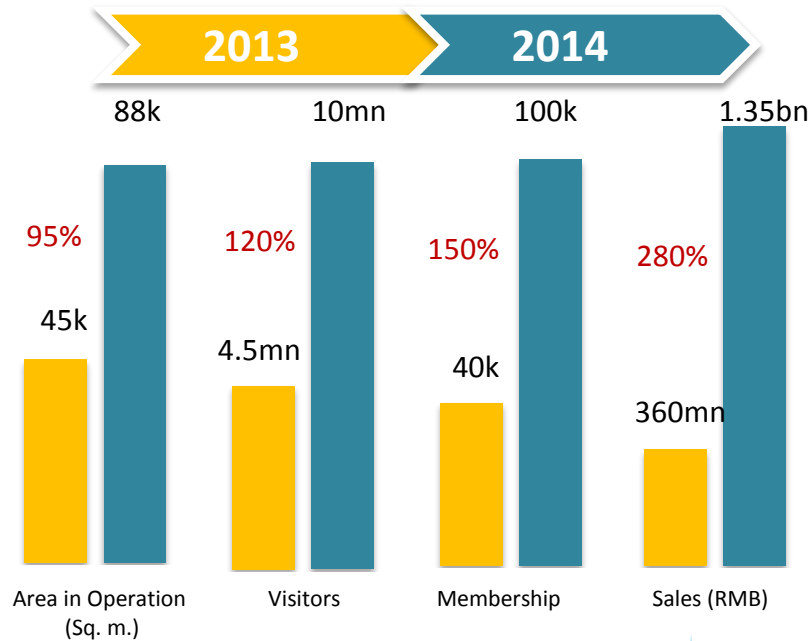
Outlets – An Ever-growing Business Line



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- **New Opening:** Sunken Plaza at Beijing Capital Outlets, Hainan Capital Outlets , Huzhou Capital Outlets
 - Beijing Capital Outlets generated annual sales of RMB900 million, an impressive achievement for new outlets
 - Hainan Capital Outlets generated annual sales of RMB450 million and attracted 1.1 million visitors.
- **Tourism:** All three outlets granted status as national “AAA” tourist attraction
- **Brands:** Contracted with 674 brands (from 100) including 69 international brands (from 21), formed strategic partnerships with 68 brands (from 0)



□ BCL - one of the pioneers in the industry in terms of co-investment

- **Motivates** staff and aligns the interests of project teams closely with shareholders
- Brings employees into partnership role and increases **productivity**
- **Accelerates turnover** and provides extra **financial resources**
- Employees share risks and return at project level
- Focuses on incentives align **loyalty, risk and rewards**

□ In 2014

- 8 projects in 5 core cities– co-investment totaled 1% of BCL's equity interest in the projects
- Participants received rewards as project performance beat target

Key indicators significantly improved for co-invested projects compared with ordinary ones

Efficiency

Avg launch period reached 7.8 months,
4 months shorter

Enlarge Scale

Sell-through rate was **23% higher**

Cost Saving

Avg cost saving was 8.11%, **1.6ppt higher**

Replicate co-investment model on all projects starting from 2015

SOE with Good Credit History
Fund raising with Larger-scale, Longer-term and Lower cost
Access to Diversified Financing Channels

Red Chip

- Injected Xi'an First City project into Juda International Holdings Ltd. (HK1329)
- Disposed Juda's chemical business and completed the acquisition of Xi'an project and the issuance and subscription of convertible preferred shares

MTN

- Successfully established a US\$1bn guaranteed medium term note and perpetual securities program
- RMB3.25bn drawdown senior bonds with an average coupon rate of 5.75%
- US\$450mn perpetual security at a distribution rate of 7.125%

Insurer

- Cooperated with PICC to raise RMB2bn low cost capital
- Cooperated with Ping An Insurance to raise RMB1.22bn low cost capital

PE Fund

- Teamed up with CITIC to raise RMB3bn to invest in projects in Beijing and Chongqing
- Total fund raised with CITIC reached RMB3.9bn



Strategic Procurement System

- Newly enrolled 5 companies as strategic cooperation partners to save cost
- Nov 2014, Centralized Procurement Platform (CPP) was officially launched → more efficient, more transparent

Compound Sales Channels

- Proactively look for cooperation to build O2O sales channels: Taobao, JD, Lianjia, etc
- “Everyone as Broker” Internet Platform- implemented at BCL International Peninsula project, reaching RMB2.1bn contracted sales with more than 25 external channels

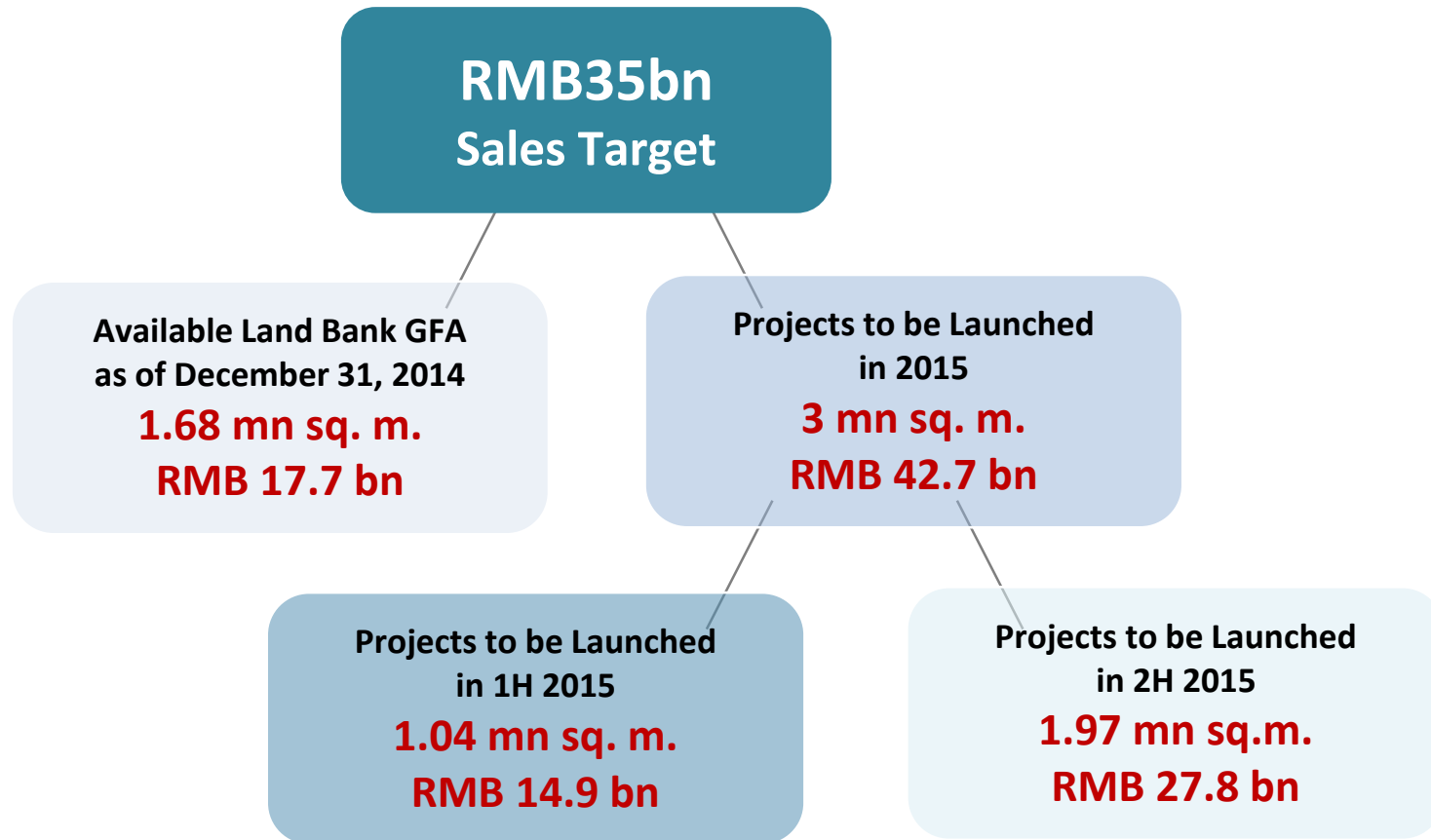
“Lehui Home” Customer Service Platform

- Innovative O2O business centered around “Eco Living” provides value-added services
- “Lehui Home”, operated in BCL residential communities, is an asset-light model combining e-commerce, property management, and customer services
- Integrated resources + value-added customer platform → new O2O business model

Section 3

2015 Outlook

- 2015 GFA available for sale totaled RMB60.4 bn to support RMB35 bn sales target
- 2015 to add RMB42.7 bn in GFA available for sale, of which RMB14.9 bn was for 1H2015. Should ensure stable sales performance throughout year



Integrated Resources → Boost Value

5 Core Cities
3 Business Lines
High Turnover, Owner-occupier Demand

Land Aquisition / Diversified Channels

- ❑ Public auction, joint development, and industrial cooperation, etc
- ❑ Leverage Capital Group and introduce strategic partners, such as financial institutions

Leverage Beijing-Tianjin-Hebei Integration Strategy

- ❑ Utilize opportunities brought by Phase II of Wuqing Primary Land Development Project in Tianjin to enhance regional value and capitalize on supporting policies

Expand Overseas Investment

- ❑ Expand footprint in Australia
- ❑ Look for opportunities in US and UK
- ❑ Target overseas contracted sales of 10%+ of total contracted sales in 2015

Breakthrough in Outlets Business

- ❑ Open 3 - 4 new outlets
- ❑ Enhance commercial property management services and enlarge outlet management scales.
- ❑ Explore asset-light commercial property business model

Core Resources Driving Revenue Growth

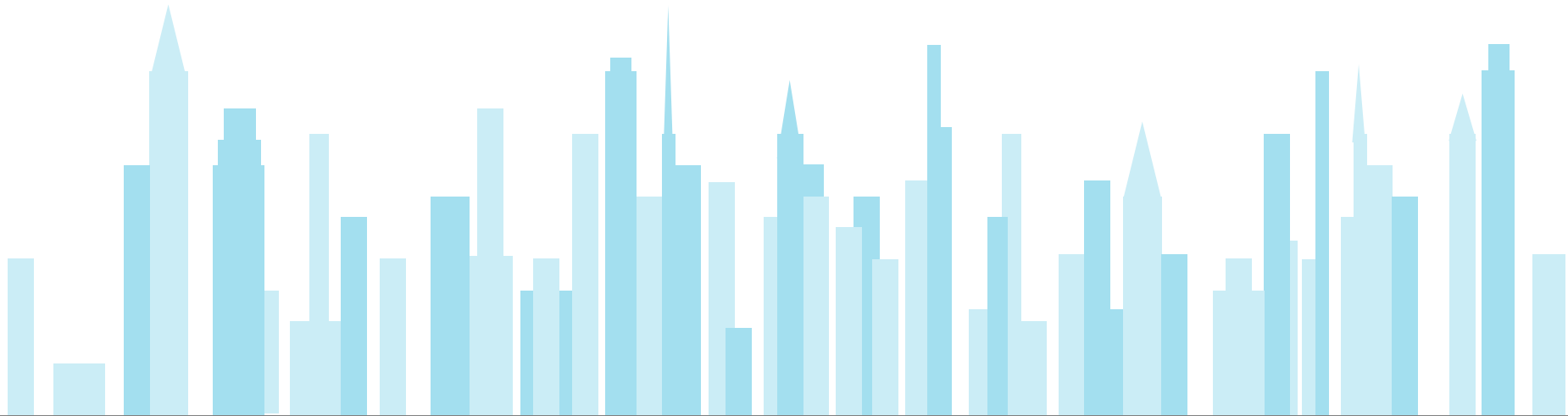
- ❑ Target to secure core resources located in Beijing CBD, etc
- ❑ Take advantage of land resources
- ❑ Become an important profit driver

Q&A



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Section 4

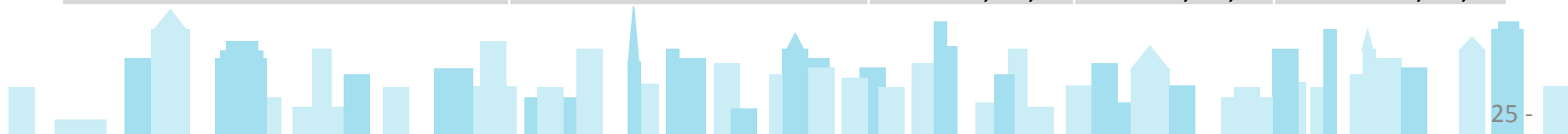
Appendix

List of Land Supply

Project	Project Name	Available GFA as of Dec 31 2014 (sq.m.)	To be launched GFA in 2015 (sq.m.)	Approximate GFA available for sale in 2015 (sq.m.)
The Reflections	The Reflections	5,645	-	5,645
Beijing Hujialou Project	Xanadu	23,757	-	23,757
Beijing Huang Xin Zhuang Project	Ealing	4,251	130,033	134,284
Beijing Miyun Yun Feng Yuan Zhuang Project	Beijing Landscape Villa	61,041	-	61,041
Beijing Capital Outlets	Ballet Town	824	5,393	6,217
Beijing Changyang Land No.4 Project	Novotown	686	7,290	7,976
Beijing Daxing Village Project	Enjoyable City	1,260	-	1,260
Beijing Pinggu Daxingzhuang Project	Enjoyable River		3,000	3,000
Passion World Project	Passion World	23,063	30,092	53,155
Enjoyable Bay Project	Enjoyable Bay	61,820	10,809	72,629
Enjoyable Trees Project	Enjoyable Trees	36,115	55,297	91,412
Beijing Fangshan Gaojiao Park Project			141,681	141,681
Noble City	Noble City	2,122	-	2,122
Tianjin Shuangang 121 Project	Fortune Class	9,999	-	9,999
Tianjin Shuangang 122 Project	Tianjin – A-Z Town	10,353	-	10,353
	International Peninsula	120,612	266,357	386,969
Cambridge County	Cambridge County	24,742	-	24,742
Tianjin Eco-city Project	Tianjin Eco Village	61,582	245,000	306,582
Nuanshan Project	Xuan Community	32,807	-	32,807
Dahechenzhang	Dahechenzhang	27,559	147,000	174,559
Shenyang First City	Shenyang First City	86,665	-	86,665
Shenyang Yinhe Wan Project	Qipan Hills First Villa	67,813	-	67,813
Shenyang Shenzhong Street Project	Shenyang Eco Village	43,802	-	43,802
Chengdu Shengli Village Project	Chengdu First City	18,775	-	18,775

List of Land Supply (con.)

Project	Project Name	Available GFA as of Dec 31 2014 (sq.m.)	To be launched GFA in 2015 (sq.m.)	Approximate GFA available for sale in 2015 (sq.m.)
Chengdu Beiquan Road Project	Cittá Villa	53,802	-	53,802
Chengdu SCE Project	Wanjuanshan	127,899	-	127,899
Qinglongchang Project	Eco Village	46,119	166,535	212,654
Xi'an Feng-cheng Road Project	Xi'an First City	190,001	-	190,001
Chongqing Hong'ensi Project	Hong'en International Living District	86,996	74,044	161,040
Xiyong Project	Eco Village	50,117	89,011	139,128
Chongqing Jialingchang Project			189,632	189,632
Shanghai Songjiang Project	Time Flowing In Villa	30,690	96,841	127,531
Shanghai Jiading Project			104,712	104,712
Shanghai Songjiang Project	Gentle House	2,336	-	2,336
Wuxi Jichang Road Project	Joyous House	23,488	-	23,488
Zhejiang Huzhou Taihu Project	Huzhou Capital Outlets Integrated Project		49,456	49,456
Huzhou Ren Huang Shan Project	Joyous House	26,033	18,929	44,962
Zhenjiang Science Park	Joyous House	39,440	31,702	71,142
Mudan Road Project	Auspicious House	28,885	18,343	47,227
Kunshan Jinxi Project	Eastern Mystery	12,730	36,512	49,242
Kunshan Integrated Outlets Project	Kunshan Integrated Outlets Project	16,797	312,761	329,558
Hainan Integrated Outlets Project	Hainan Integrated Outlets Project	44,154	43,968	88,122
Central Park No.1 Project	Central Park No.1	4,396	6,235	10,630
Sunny Xiangmi Lake	Sunny Xiangmi Lake	12,171	-	12,171
Yangfuzhai Project		7,119	16,611	23,730
Qingdao Airport Project	Airport International Center	118,066	-	118,066
Yantai Sunny Chief Yard Project	Sunny Chief Yard	32,340	9,375	41,715
Total		1,678,867	2,306,618	3,985,485



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