



**首创置业**  
BEIJING CAPITAL LAND

**创造都市新生活**  
*Create New Urban Life*

# Beijing Capital Land Ltd. 2868.HK Annual Results 2015

March 2016



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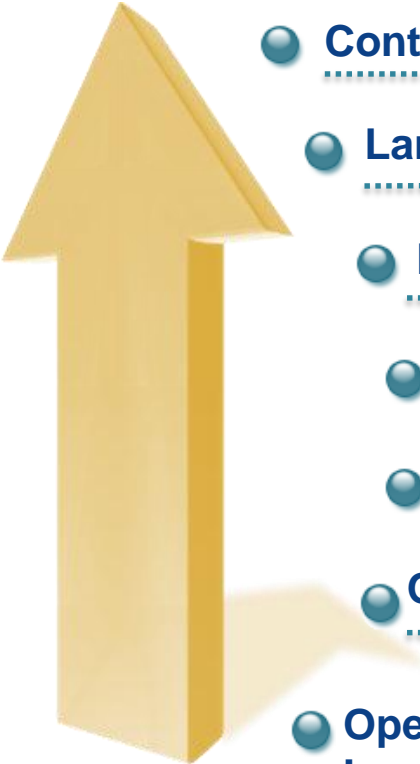


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Section 1

# Results Summary

# 2015 Results Highlights

- 
- **Contracted Sales:** RMB32.5bn contracted sales, up 31% YoY, ranked 23<sup>rd</sup> in industry
  - **Land Investment:** RMB22.4bn investment, up 16% YoY, BJ and SH accounted for 70%
  - **Equity Financing:** Raised RMB3.1bn from BCG's domestic share subscription
  - **Bond Issuance:** Raised RMB9.3bn bonds with low interest rates
  - **Outlets Expansion:** Added 4 new projects, retail sales RMB2.1bn, up 50% YoY
  - **Overseas Development:** Invested in 3 new projects in Sydney, contributed contracted sales of RMB5.1bn, up 124% YoY
  - **Operational Improvements:**
    - Co-investment expanded to 17 new projects, covering all core areas
    - Launched Construction Product Standardization Application
    - Strategic Procurements Platform covered 70% of all procurements
    - Implemented special cost control campaigns and saved RMB3.27bn
    - Set up "Rui Service" property management JV with Vanke

# Financial Results

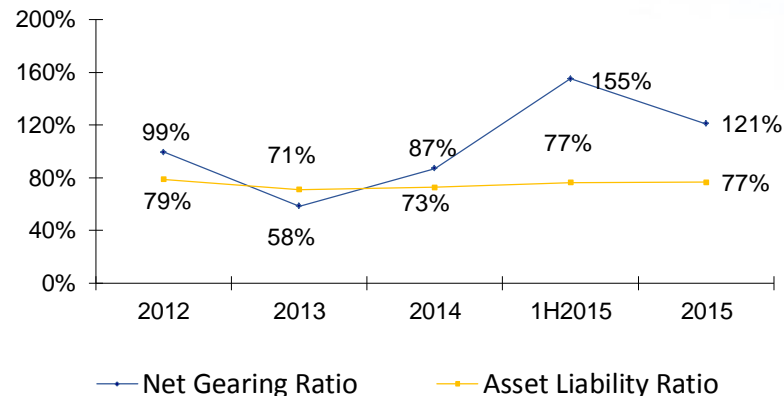
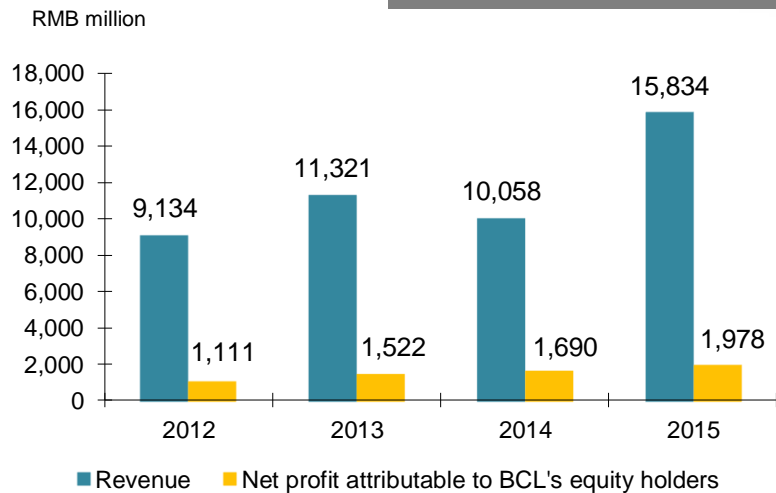
RMB '000	2015	2014	YoY Change
Revenue	15,833,595	10,057,967	57.42%
Gross Profit	1,881,719	2,419,756	-22.24%
Net Profit	2,885,154	2,263,729	27.45%
Net profit attributable to parent company	1,977,736	1,689,741	17.04%
Core Profit attributable to parent company <sup>1</sup>	1,187,484	1,497,616	-20.7%
EPS (Fully-diluted, RMB cents)	90	83	8.43%
DPS (RMB cents)	20	25	-20.00%
ROE attributable to parent company	17.62%	18.96%	-1.34ppt
Gross profit margin	11.88%	24.06%	-12.18 ppt
Net profit margin	18.22%	22.51%	-4.29 ppt
Net gearing ratio	121.01%	87.01%	34.00 ppt
Cash on hand	17,747,986	13,897,026	27.71%

Note

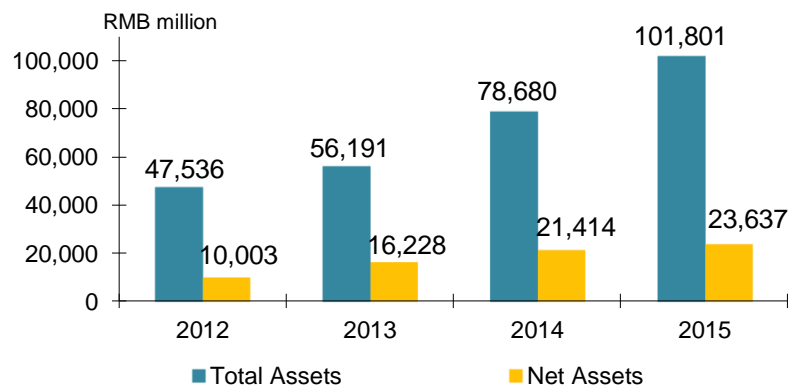
1. Core Profit attributable to owners of the company = Net Profit attributable to owners of the company – gains arising from changes in fair value attributable to owners of the company after tax. (excluding minority interest). In 2015, BCL's net profit includes gains arising from changes in fair value of RMB1,552.6mn, of which RMB1,053.6mn is attributable to the owners of the company. After related income taxes, the attributable gains arising from changes in fair value after-tax is RMB790.2mn (excluding minority interest)."

# Stable Financial Performance

## Stable Financial Performance



## Increasing Asset Scale



## Optimized Loan Structure



**Weighted Average Interest Rate: 6.41%\***

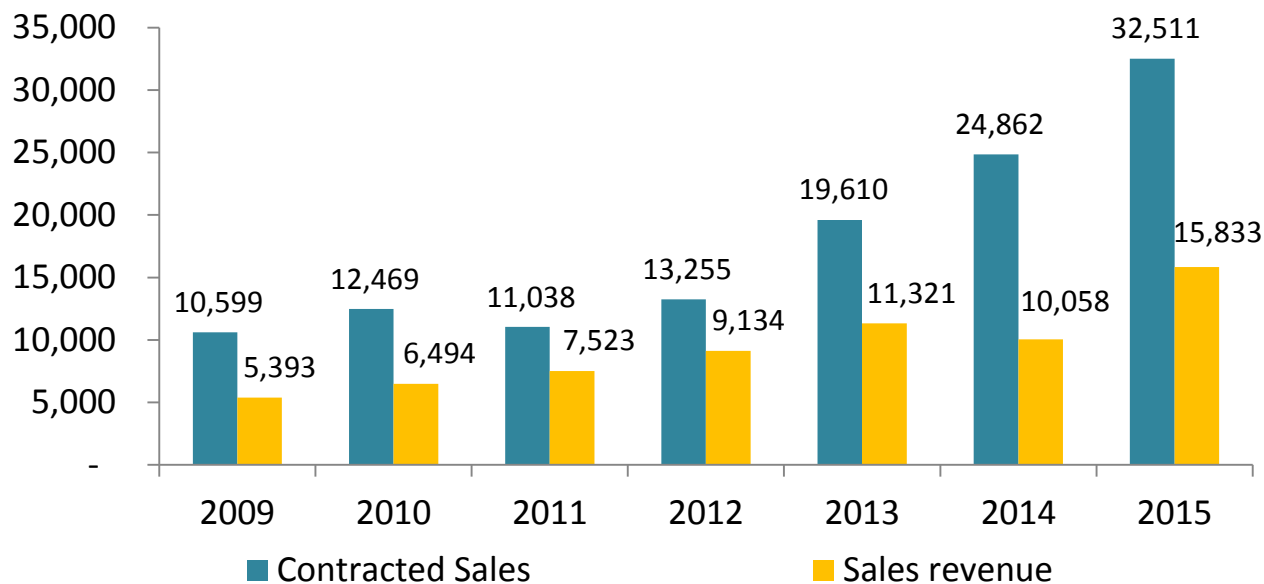
\*as at 31 December 2015



# Contracted Sales and Sales Revenue

Unbooked core pre-sales by the end of 2014	Contracted core pre-sales in 2015	Booked amount in 2015	Accumulated unbooked core pre-sales
RMB18.0bn	RMB20.0bn	RMB15.6bn	RMB22.4bn

RMB million



Contracted sales in 2015 reached **RMB32.51bn**

Section 2

# **Business Highlights**



# Contracted Sales Performance in 2015

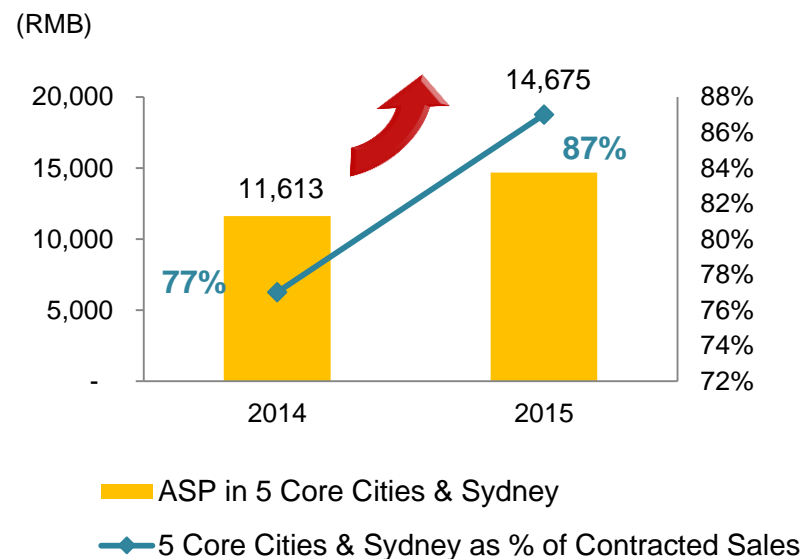
Contracted Sales		Contracted Sales Area		Average Selling Price	
RMB billion	YoY Change	'000 sq. m.	YoY Change	RMB/sq. m.	YoY Change
32.51	+30.8%	2,787	+11.7%	11,664	17%

Contracted sales in 2015 recorded at **RMB32.51bn**, up **30.8%** YoY

## Focused on strategic core regions Balanced sales volume and sales price

- Contracted sales in 5 core cities and Sydney **increased by 10ppts**, from 77% in 2014 to **87%** in 2015
- Average selling prices (ASP) in **5 core cities and Sydney** increased significantly by **26%** to RMB **14,675** per sq.m. in 2015.

## 2015 Core Cities ASP and Share of Contracted Sales

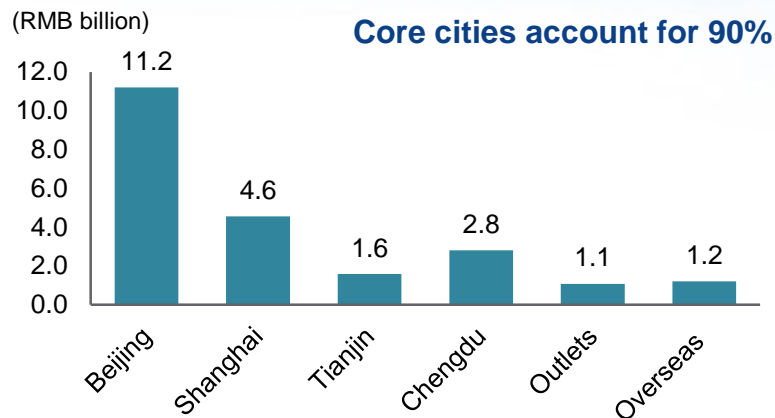


# Land Investment in 2015

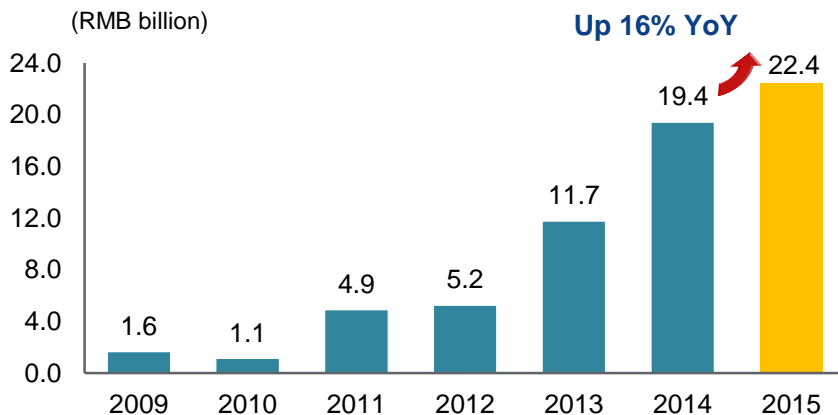
## Plenty of low-cost land resources in core cities to provide strong growth support in the future

- ✓ 2015 land investment: **RMB22.4bn**, up 16%, total GFA acquired: **3.43mn sq.m.**
- ✓ 2013-2015 land investment strategically focused on Beijing and Shanghai: **RMB37.1bn**, 69% of total investment; **Average cost RMB12,074 per sq.m**, showcasing relatively low-cost land
- ✓ Surging sales volume and prices in first-tier cities boosted the value of newly-invested land plots

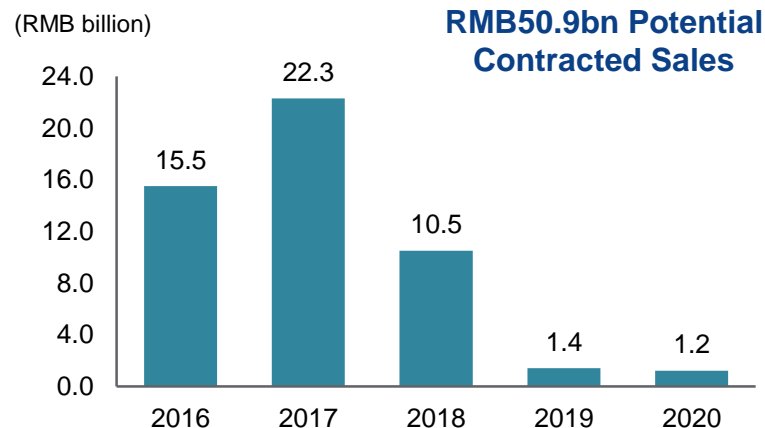
## 2015 Land Investment breakdown



## Land Investment Since 2009



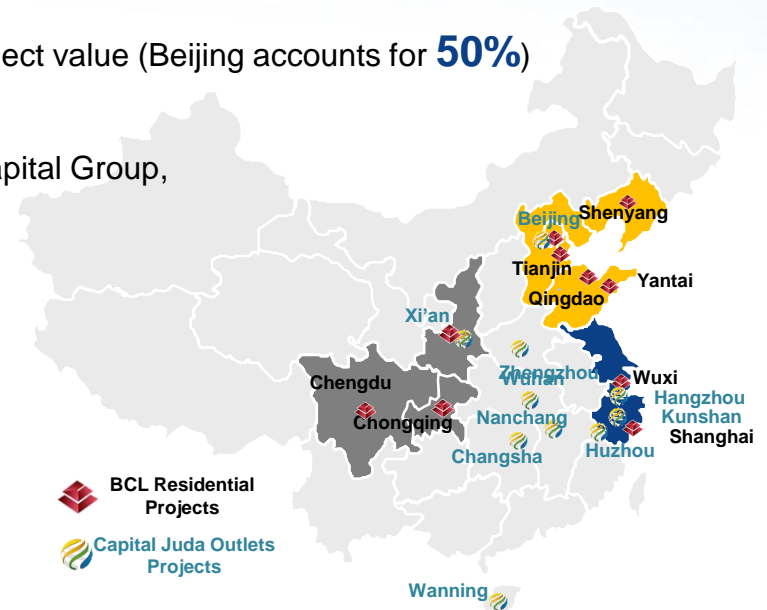
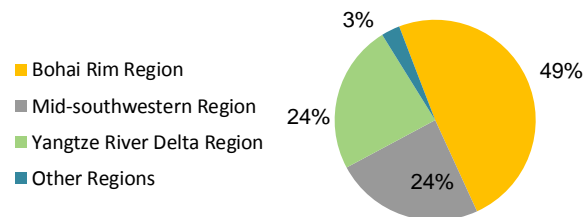
## Future Potential Contracted Sales of land acquired in 2015



# Sufficient Land Bank

- **11.30mn sq.m. GFA/9.11mn sq.m. ground area** land bank, sufficient for development for the next 3-4 years<sup>1</sup>
- 5 core cities account for **80%** of the land bank in terms of project value (Beijing accounts for **50%**) and **62%** in terms of GFA (Beijing accounts for **25%**)
- As **the sole listed property platform** of Beijing Capital Group, BCL will be able to **acquire more core resources in Beijing and Tianjin**

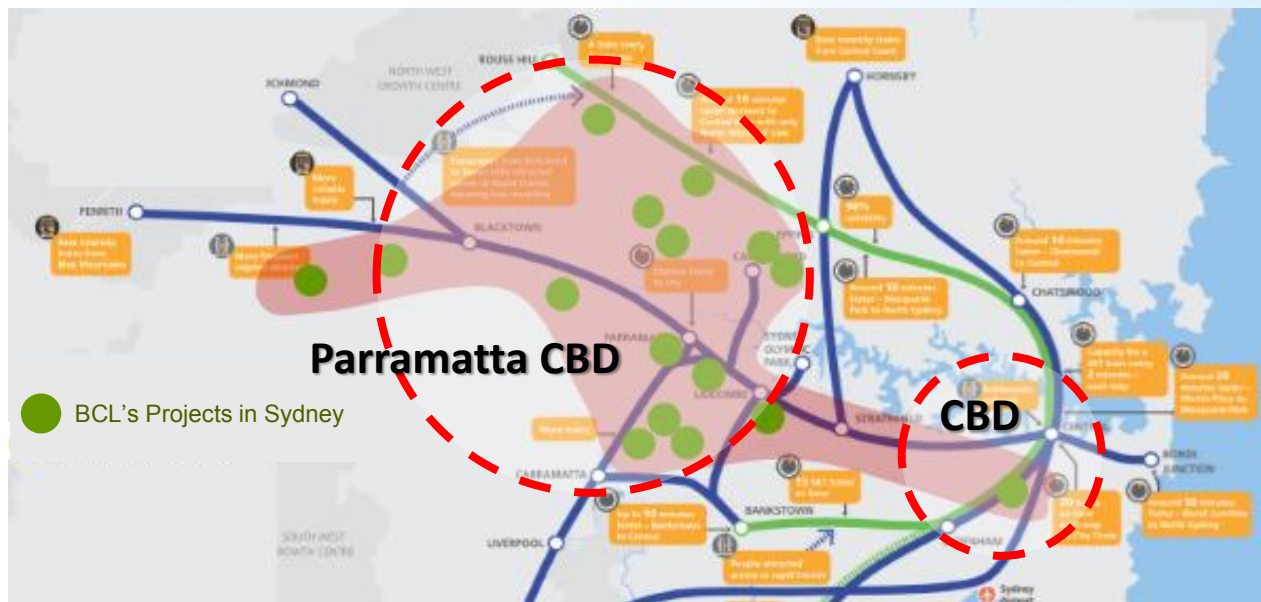
Land Bank Distribution by Region



Key Projects in Beijing and Tianjin	Planned GFA (sq.m.)
Tower 5, Beijing Xanadu	35,000
Hujialou shantytown renovation and secondary development project phase 2	650,000
Shijingshan shantytown renovation project	400,000
Jinhai Lake primary and secondary land development project	880,000
Beijing Qingyundian Project primary land development	860,000
Tianjin Wuqing primary land development project phrase 1	3,000,000
Tianjin Wuqing primary land development project phrase 2	3,500,000

Note:  
1. as at 31 December 2015

# Overseas Expansion



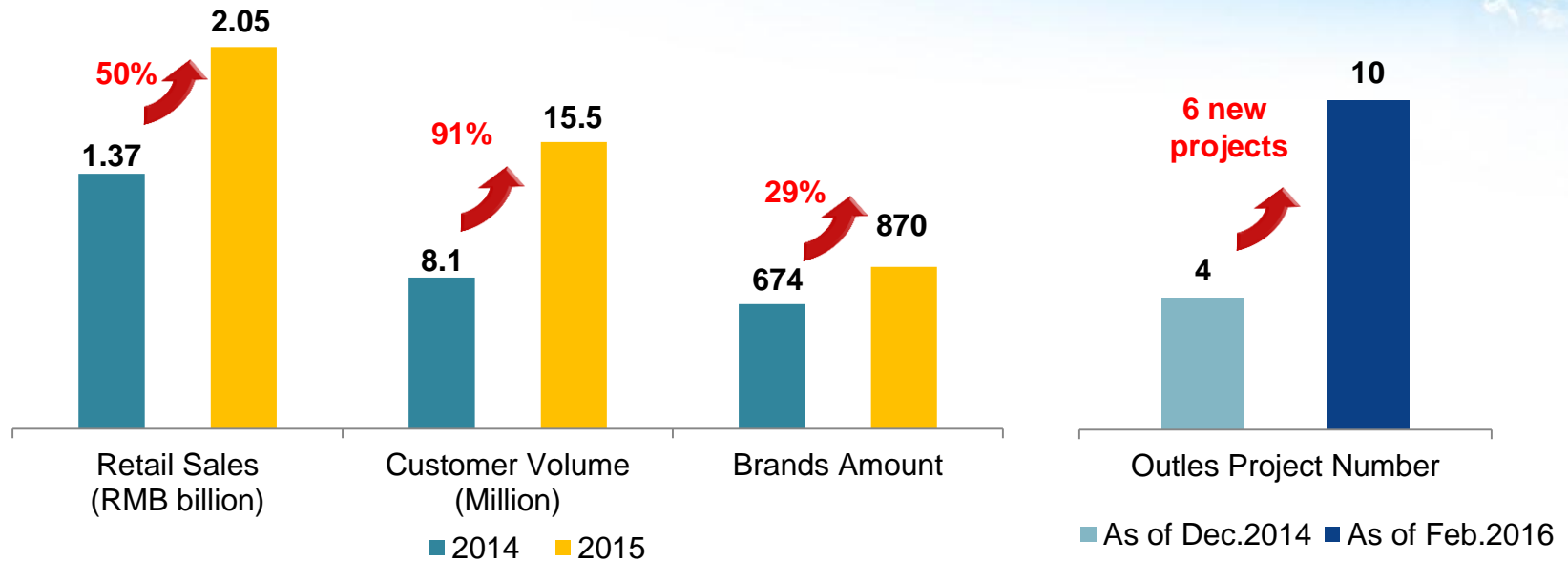
## Breakthrough in 2015

- ❑ Invested in **3** new projects in Sydney through JV for **RMB1.2 bn**, up **111%** YoY
- ❑ All projects sold out immediately after launch, recording **Contracted Sales of RMB5.1bn**, up **124%** YoY, accounting for **16%** of total sales.

## Future Prospects

- ❑ Further expand overseas investment in 2016
- ❑ Following the successful cooperative development model in Sydney, explore investment opportunities in gateway cities throughout Europe and the United States.
- ❑ Cultivate new sources of profit growth

# Outlets — A Fast-growing Business Line



## Significant scale and coverage breakthrough with 10 outlets projects across China

- **Beijing Capital Juda:** Completed injection of Xi'an project; positioned as BCL's retail development and operation platform
- **New Opening:** Kunshan Outlets opened up
- **Retail Sales:** RMB2.05bn, up 50% YoY
- **Customer Volume:** more than 15.50mn consumers in 2015, up 91% YoY
- **Brands:** cooperated with more than 870 brands in 2015, up 29% YoY
- **Rapid Expansion:** one of the national leaders in outlets operations in China with 10 outlets projects from 2015 to Feb 2016 - acquired outlets projects in **Nanchang, Hangzhou, Wuhan, Changsha, Xi'an, Zhengzhou**

# Diversified Financing Channels

- **SOE with good track record**

- Diversified financing channels to provide **long-term, low cost** financing support
- Raised **RMB3.1bn** from **domestic share issuance** and **RMB9.3bn** from **bond issuance**
- Average debt cost declined to **6.41%**

## Domestic Shares

- Issued 1bn domestic shares to BCG and raised RMB3.1bn
- Enhanced support from BCG and provided a solid foundation for further development of BCL in terms of land resources, credit support and capital structure

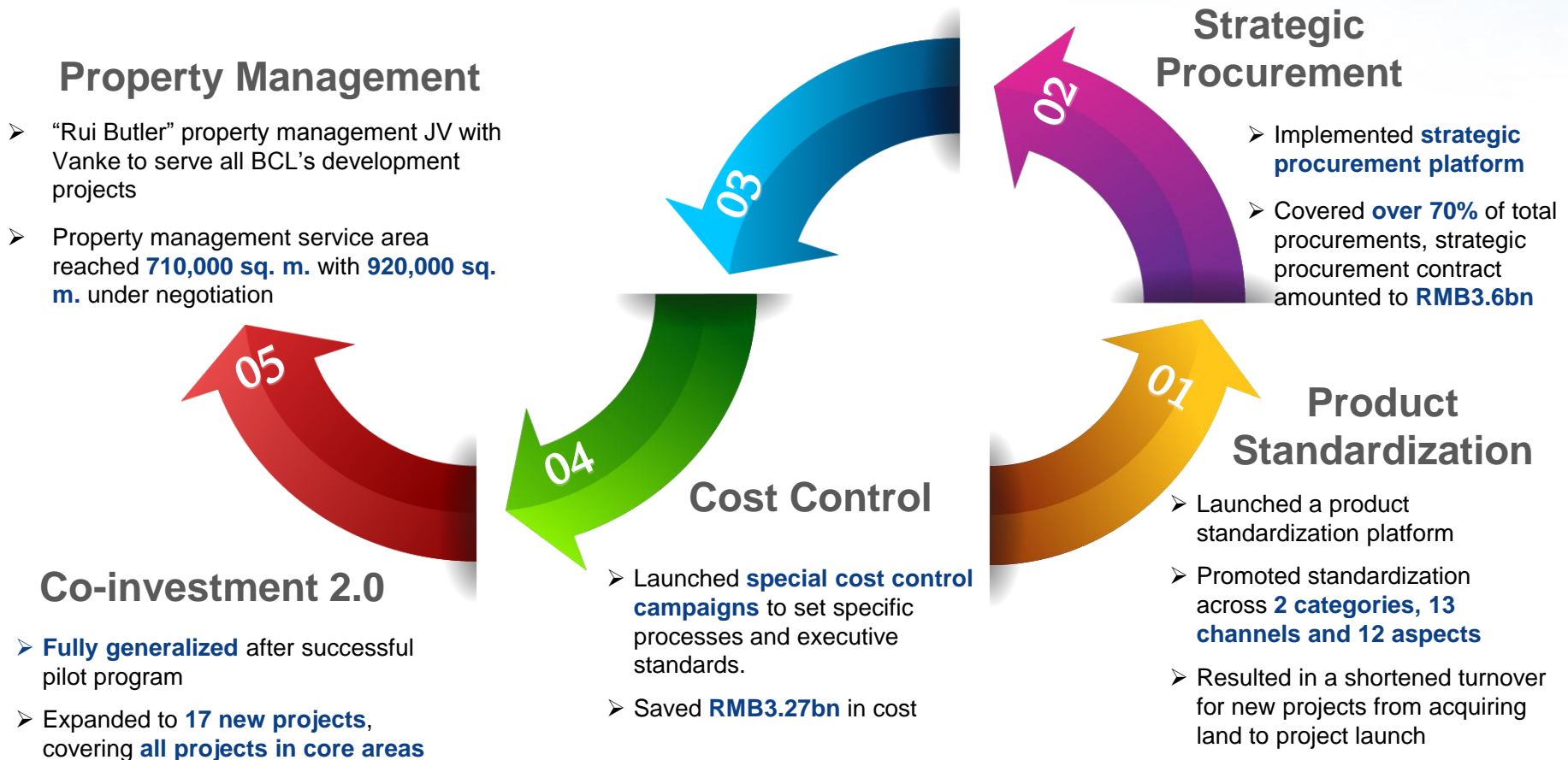
## Corporate Bonds

- Issued RMB3bn public placement corporate bonds and RMB5bn private placement corporate bonds, at an average coupon rate of 4.68%
- 2<sup>nd</sup> batch RMB10bn private placement bonds to launch in 2016

## Red-chip Platform

- Issued RMB1.3bn 3-year offshore RMB denominated bonds under Beijing Capital Juda
- Acquired 6 additional outlets and paved the way to introduce strategic investors.

# Operational Improvements



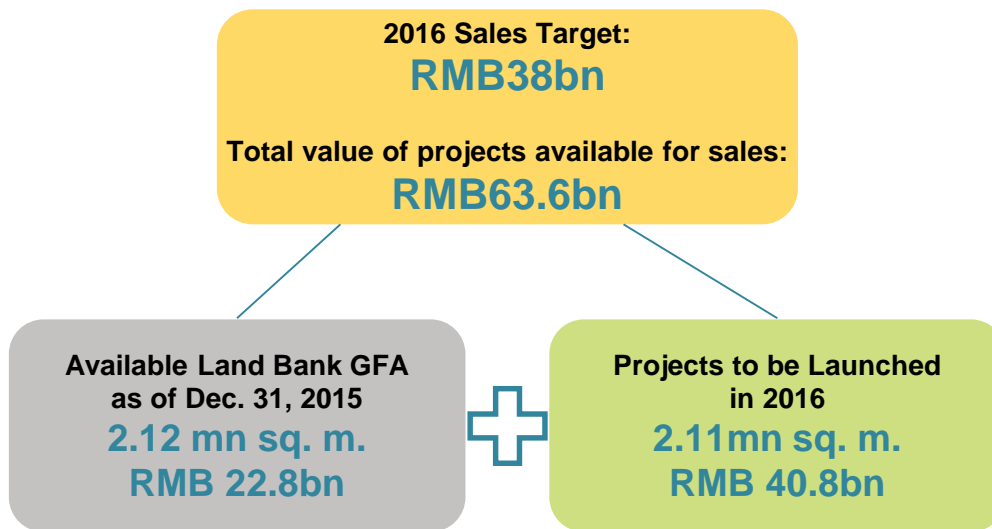


Section 3

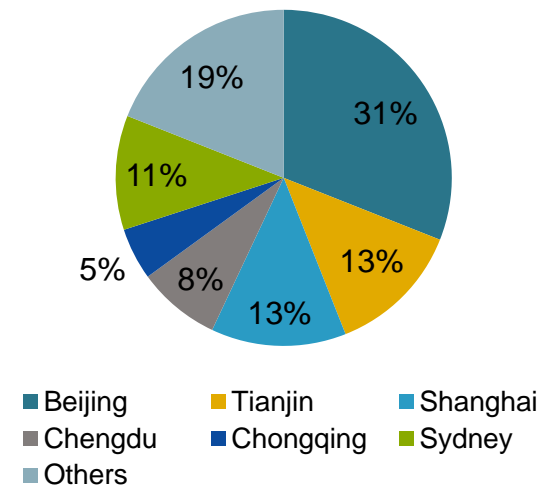
# 2016 Outlook

# Sales Target and Measures in 2016

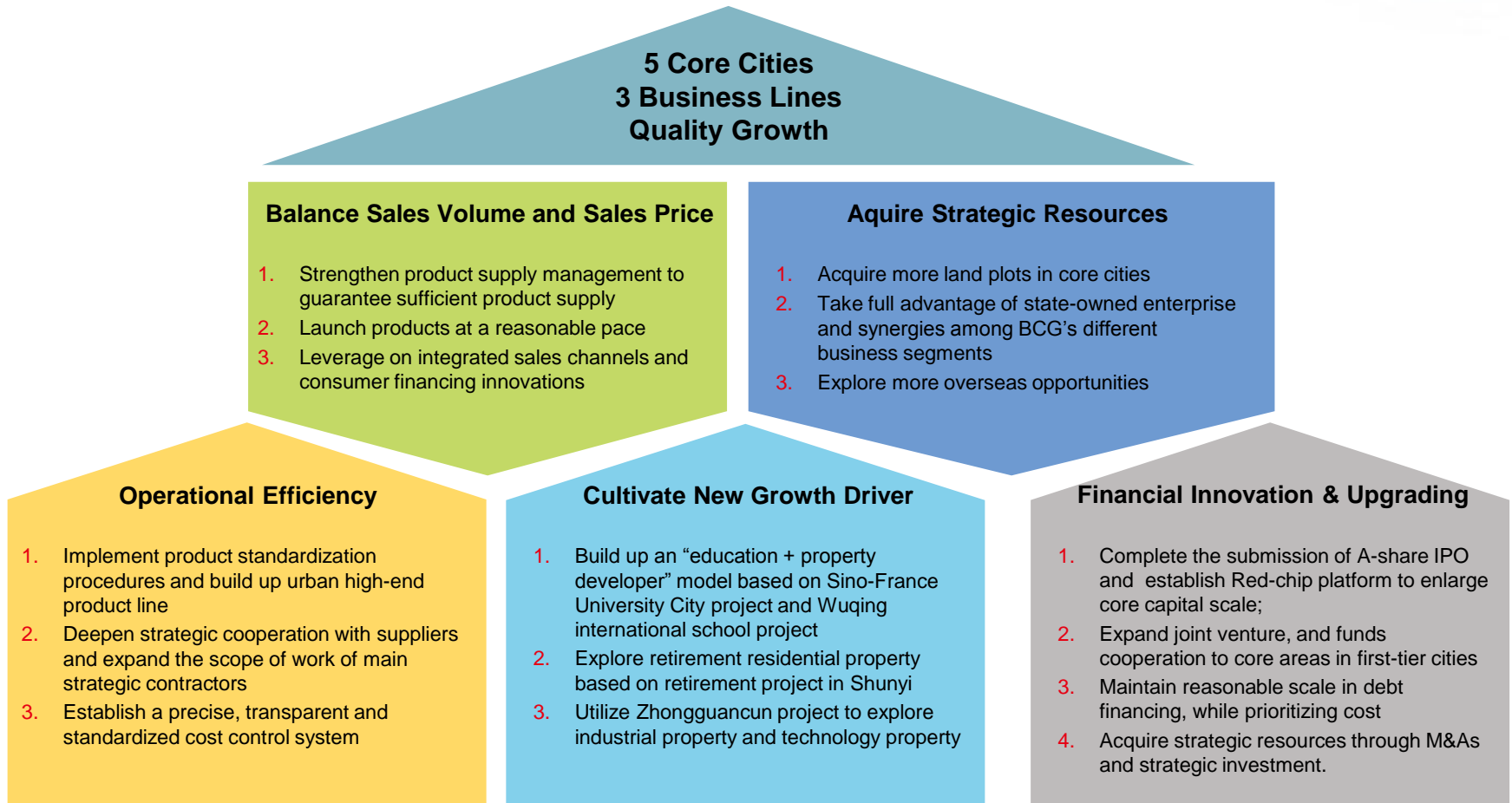
- **Sales Target:** 2016 sales target is **RMB38bn**, with a balance between sales price and sales volume
- **Available Resources:** GFA available for sale in 2016 totals **RMB63.6bn**
- **Strategic Focus:** **44%** of products available for sale in 2016 are **in Beijing and Shanghai**, worth **RMB28.1bn**; which will generate positive returns given the bullish sentiment in first-tier-city markets
- **Sales Pipeline:** Strengthen product supply management to guarantee sufficient product supply at a reasonable pace
- **Marketing:** Integrated sales channels and consumer financing innovations



Total value of Projects for sale in 2016  
Breakdown by Cities



## Integrated Resources → Boost Value



## BCL plans to submit listing application of A-Share, Issuing no more than 370mn A-Shares

### Significance

- **Enlarge equity base to enhance capital structure**
  - Enlarging share capital to reduce existing leverage ratio, helping stabilize the business development;
- **Set up domestic equity financing platform to broaden financing channels**
  - Multiple financing channels in the A-Share market, including share placement, convertible bond, enjoying high efficiency as no need for exchange settlement
- **Gain recognition in the market**
  - Enhancing valuation and extending cooperation with investors

### Use of Proceeds

	Project	Approved total Investment (RMB mn)	Estimated amount of Proceeds to be invested (RMB mn)
1	Beijing Haidian Yongfeng Industrial Base Project F1	6,733	600
2	Shanghai Qingpu Yingpu Community Project 20-04	1,405	300
3	Shanghai Yangpu Pingliang Project	5,524	1,000
4	Tianjin Beiyunhe Project	4,319	1,000
5	Tianjin Zhongshan Road Project	2,525	900
	<b>Total</b>	<b>20,506</b>	<b>3,800</b>

# Q&A

