



首创置业
BEIJING CAPITAL LAND

创造都市新生活
Create New Urban Life

Beijing Capital Land Ltd. 2868.HK Interim Results 2016

August 2016



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Results Summary

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Business Highlights

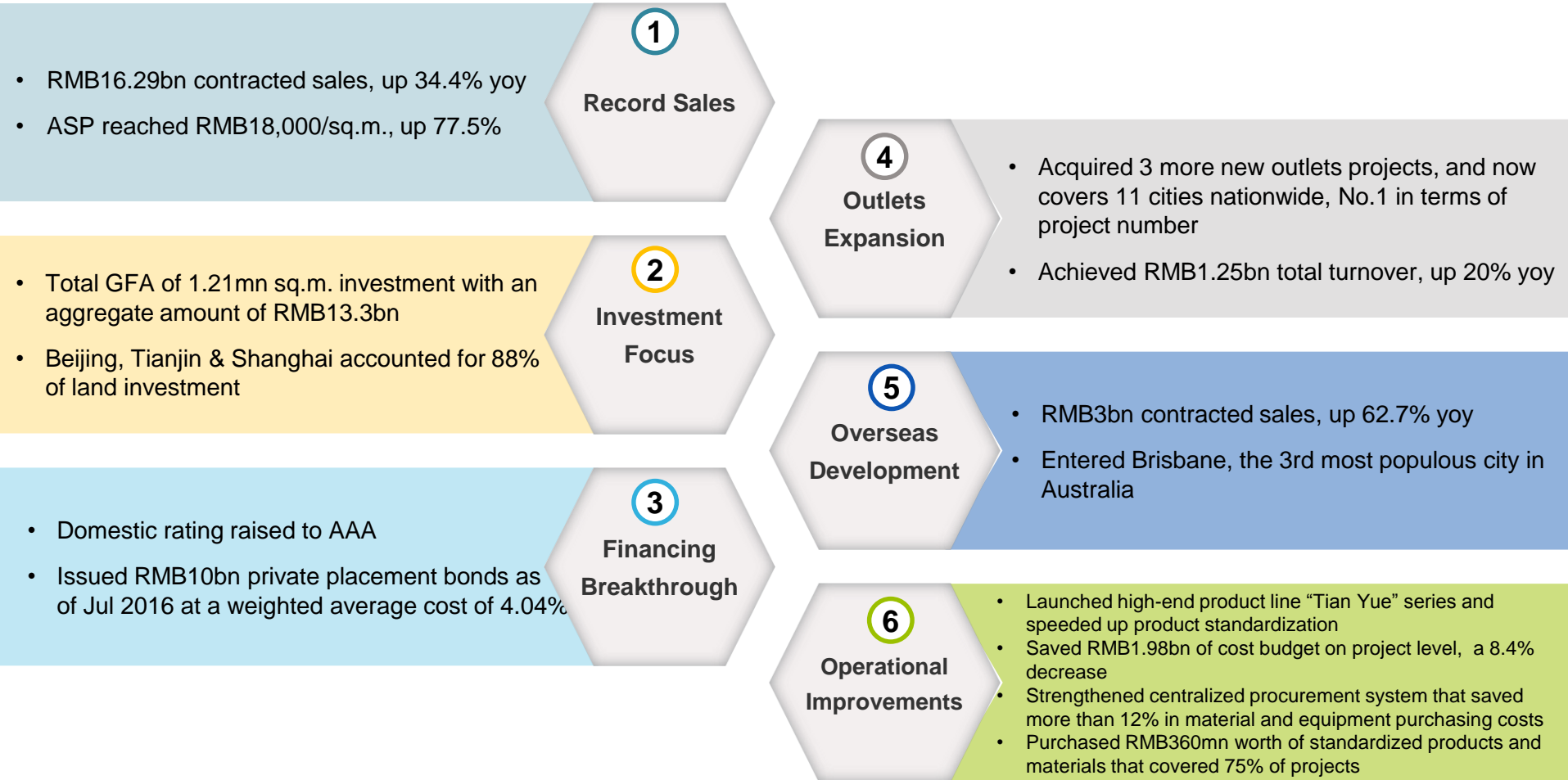
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2H 2016 Outlook

Section 1

Results Summary

1H 2016 Results Highlights



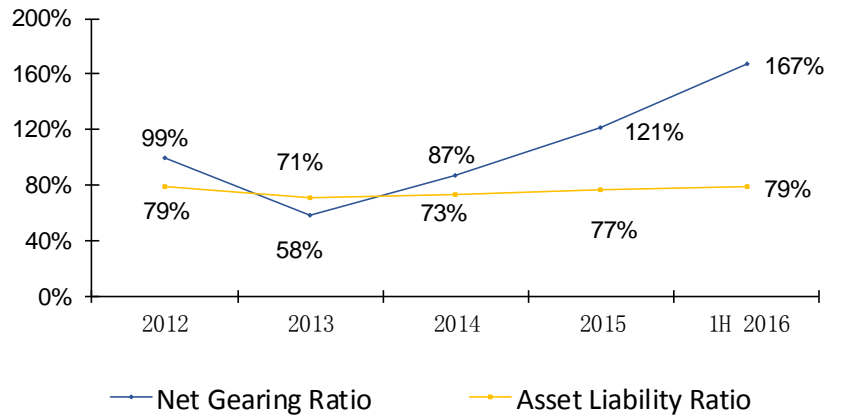
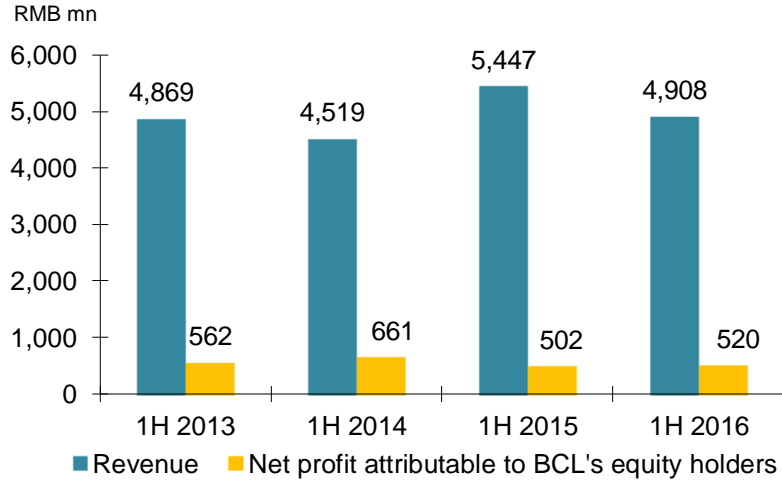
Financial Results

RMB '000	1H2016	1H2015	YoY Change
Revenue	4,907,908	5,447,244	-9.90%
Gross Profit	510,593	739,165	-30.92%
Net Profit	1,083,022	1,011,066	7.12%
Net profit attributable to parent company	519,616	503,293	3.24%
Core profit attributable to parent company ¹	339,685	232,509	46.10%
EPS (Fully-diluted, RMB cents)	17	25	-32.00%
ROE attributable to parent company	4.72%	5.82%	-1.1 ppt
Gross profit margin	10.40%	13.57%	-3.17 ppt
Adjusted Gross profit margin ²	13.37%	13.86%	-0.49 ppt
Net profit margin	22.07%	18.56%	3.51 ppt
Net gearing ratio	166.91%	155.30%	11.61 ppt
Cash on hand	13.2bn	12.7bn	3.92%

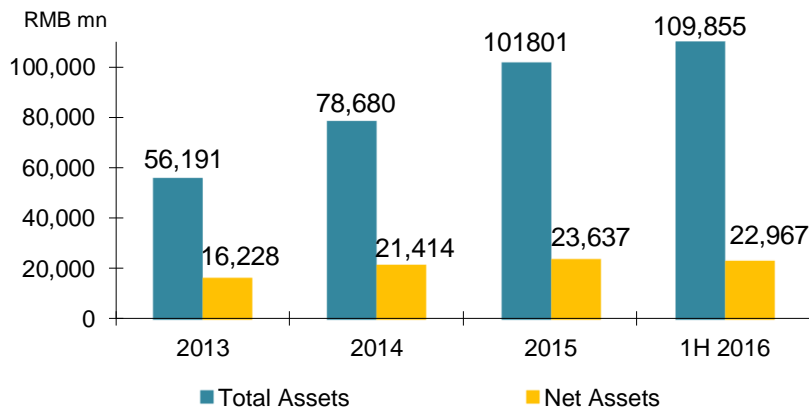
1. Core profit attributable to owners of the company = Net profit attributable to owners of the company – Gains arising from changes in fair value attributable to owners of the company after tax. (excluding minority interest) + Coupon payments of perpetual securities
2. Adjusted for revenue from Australian projects (interest income) and investment gains from associates and joint ventures

Stable Financial Performance

Stable Financial Performance



Increasing Asset Scale



Optimized Loan Structure

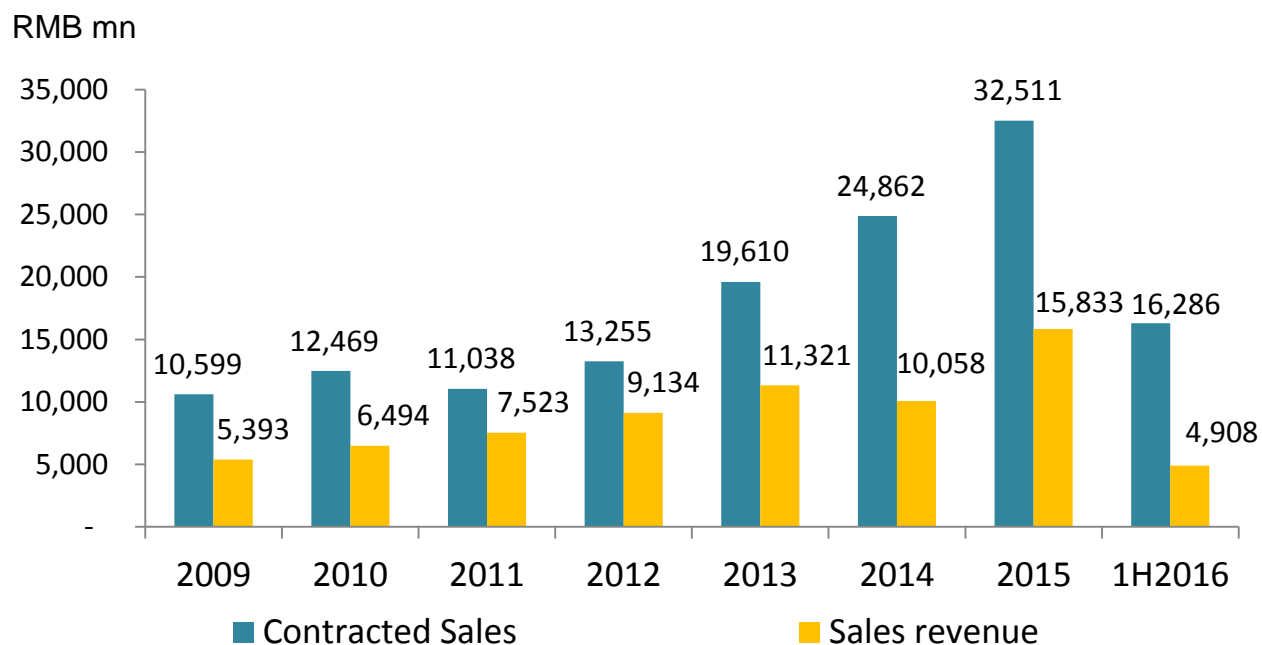


Weighted Average Interest Rate: 5.82%*

*as of 30 June 2016

Contracted Sales and Sales Revenue

Unbooked core pre-sales by the end of 2015	Contracted core pre-sales in 1H2016	Booked amount in 2015	Accumulated unbooked core pre-sales
RMB16.2bn	RMB10.7bn	RMB4.9bn	RMB22.0bn



Contracted sales in 1H2016 reached RMB16.3bn

Section 2

Business Highlights

Contracted Sales Performance in 1H2016

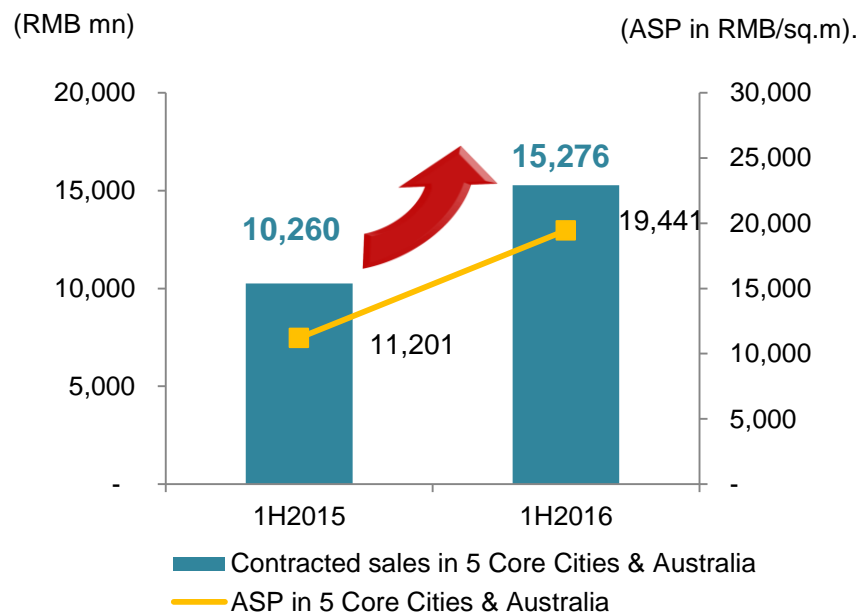
Contracted Sales		Average Selling Price (contracted sales)	
RMB billion	YoY Change	RMB/sq. m.	YoY Change
16.29	+34.4%	17,932	+78%

Contracted sales in 1H2016 recorded at RMB16.3bn, up 34.4% YoY

Focused on strategic core regions Balanced transaction volume and prices

- **RMB15.3bn** contracted sales from 5 core cities and Australia, up 49% yoy, accounting for **94%** of the total contracted sales, up 9 ppt yoy
- Average selling price in 5 core cities and Australia increased significantly by 74% to **RMB19,441** per sq.m. in 1H2016.

Core Cities & Australia Contracted Sales & ASP



Quality Projects Acquired in Core Cities through Public Auction

- ❑ **RMB13.3bn** of land investments with a total GFA of 1.2 million sq.m.
- ❑ Invested **RMB11.7bn** in Beijing, Tianjin and Shanghai, which accounted for 88%, up 14ppt yoy
- ❑ **Firm support from parent company BCG** continued, and 4 projects acquired from BCG replenished prime land bank in core cities
- ❑ Projects acquired through public auction: Shanghai Zhoupu Project(上海周浦項目), Shanghai Qingpu Xujing Project(上海青浦徐涇項目), Beijing Daxing Huang Village Project(北京大興黃村項目), Tianjin Hongxianli Project(天津紅咸里項目), Xi'an Outlets Project(西安奧萊項目), Zhengzhou Outlets Project(鄭州奧萊項目), Jinan Outlets Project(濟南奧萊項目)

Projects Injected by Beijing Capital Group

Project	GFA (sq.m.)	Price (RMB)
Beijing Capital Building(首創大廈)	48,000	1.57bn
Beijing Shijingshan Xihuang Village Redevelopment Project (石景山西黃村棚戶區改造項目)	641,000	2.15bn
Chongqing Yuyue Project(重慶愉悅項目)	108,000	210mn
Shenyang Legendary Bay Project (沈陽琥珀灣項目)	170,000	276mn
Total	967,000	4.20bn

New Primary Land Development Projects to Be Acquired in Beijing

Qingyundian Project
(大兴青云店项目)

1

District: Daxing
Planned GFA: 860,000 sq.m.

Baigezhuang Project
(平谷白各庄项目)

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District: Pinggu
Planned GFA: 253,200 sq.m.

Tianzhu Town Project
(顺义天竺镇项目)

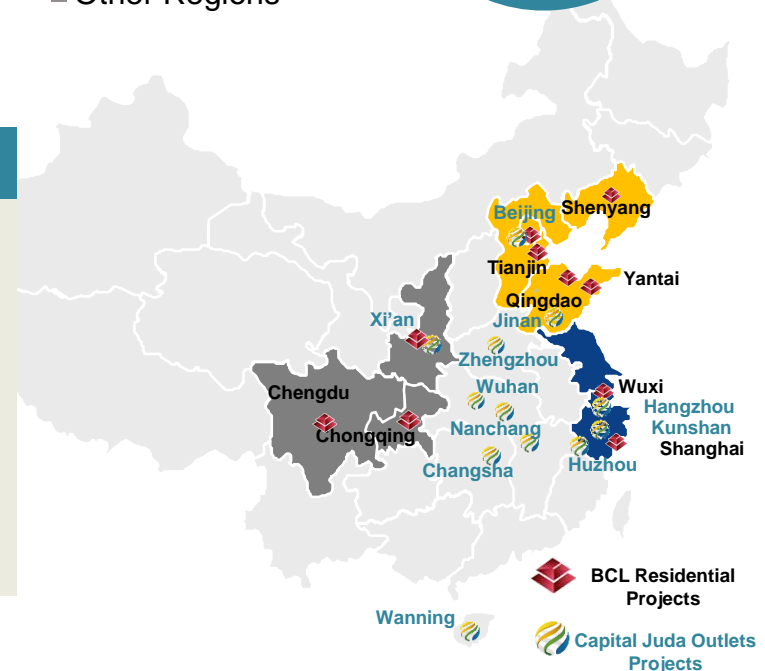
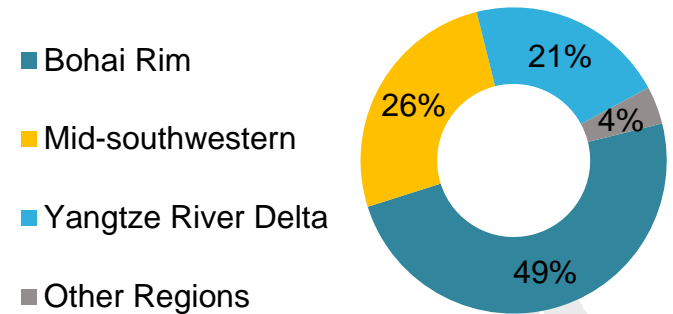
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District: Shunyi
Planned GFA: 657,300 sq.m.

Total GFA of 11.59mn sq.m. Land Bank

- Total above ground GFA amounted to **9.41mn sq.m.**, sufficient for the development over the coming 3-4 years
- 5 core cities accounted for **81%** in terms of land bank value
- To acquire **more primary land development projects** in Beijing, targeting at Qingyundian project in Daxing, Baigezhuang Project in Pinggu and Tianzhu Town Project in Shunyi

Land Bank Geographic Breakdown



Breakthrough

- ❑ Entered **Brisbane**, the third most populous city in Australia
- ❑ Cooperated with Brisbane's local developer the Arden Property Group through a joint venture
- ❑ Brisbane contributed **RMB1.07bn contracted sales** in 1H2016

Outstanding Performance

- ❑ Invested in 3 projects in Sydney and Brisbane, which are expected to generate **RMB4.77bn contracted sales**
- ❑ All projects launched overseas in 1H2016 sold out and **generated contracted sales of RMB3bn**, up 62.7% yoy
- ❑ Collected **RMB288mn** cash from Australian projects
- ❑ BCL to seek more investment opportunities in core overseas market in the future



Project Jade in Brisbane



Project Eve in Sydney

Outlets – National Roll-out

Cover 11 cities nationwide with 3 new projects acquired, No.1 in China in terms of project number



Outlets Projects Integration

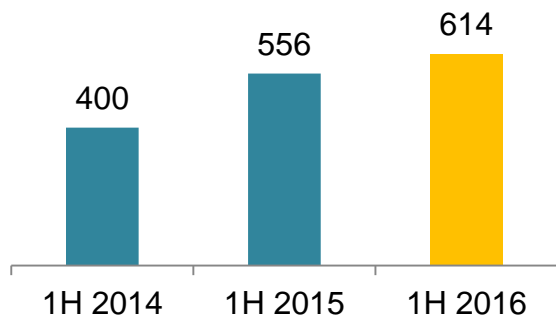
- Entered agreement with Capital Juda to inject the 3 existing Fangshan outlet, Kunshan outlet and Huzhou outlet projects
- Outlets projects integration is strategic move for the Company to operate and manage outlets projects in a consistent manner, paving the way for further equity financing activities and attracting strategic partners



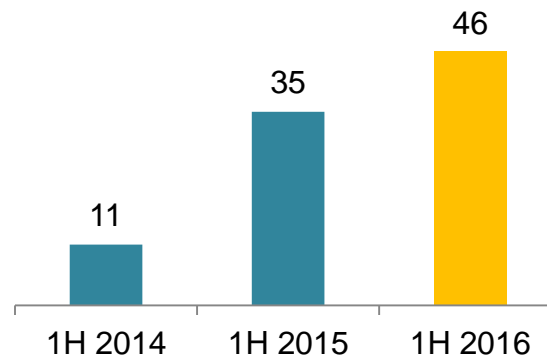
Outlets – Record Total Turnover

Total turnover of 4 existing outlets grew 20% to RMB1.25bn

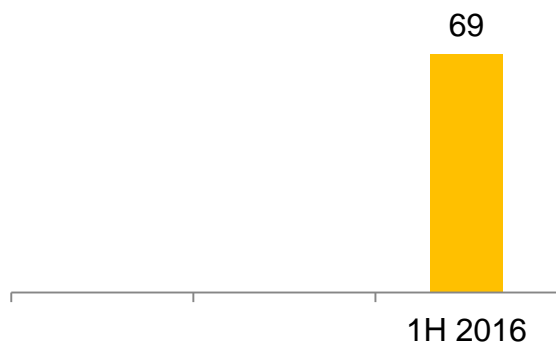
Fangshan Outlets



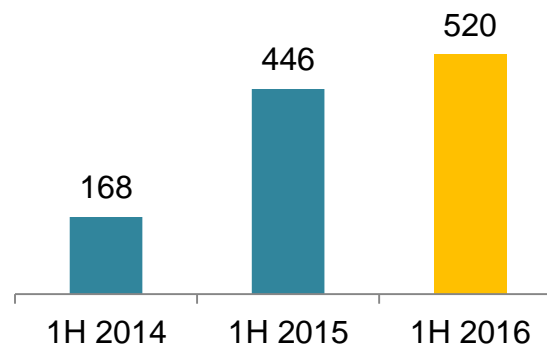
Huzhou Outlets



Kunshan Outlets



Wanning Outlets



Turnover in RMB mn

Improve product quality while exercising tight cost controls



Product Upgrade

- ❑ Rolled out a product strategy called “Build with Heart” and placed substantial emphasis on launching “Tian Yue” series, a high-end product line
- ❑ Established a product center to speed up product standardization
- ❑ Engaged in property management from early development stage so as to elevate product quality, increase customer satisfaction and increase pricing power



Cost Control

- ❑ Exercised tight cost controls, from setting cost control targets and monitoring cost control processes to evaluating cost control results, to substantially optimize project expenses
- ❑ Implemented cost control scheme called “3300” on major subsidiaries and set out cost control guidelines
- ❑ Saved RMB1.98bn of cost budget on project level (a 8.4% decrease), achieving full-year target in cost saving in advance



Strategic Procurement

- ❑ Centralized procurement system covered an aggregate area of 4.09mn sq.m., or more than 75% of the Group’s projects
- ❑ Purchased RMB360mn worth of products and materials through centralized procurement system

Accelerate A-share listing process and lower funding costs

Credit Rating

- Received **AAA** credit rating with stable outlook from China Chengxin
- Rated **BB+** by S&P , credit profile being further upgraded
- Created a solid foundation for funding cost to be continuously lowered

Debt Financing

- Issued **RMB10bn** private placement bonds in 7m2016, at a weighted average cost of **4.04%**
- Issued bonds with a maturity of 2+1 in July at a coupon rate of **3.71%**, the **lowest** financing cost ever for BCL and among bonds issued of the same category in market
- Roll over loans to optimize debt costs

Funding Cost

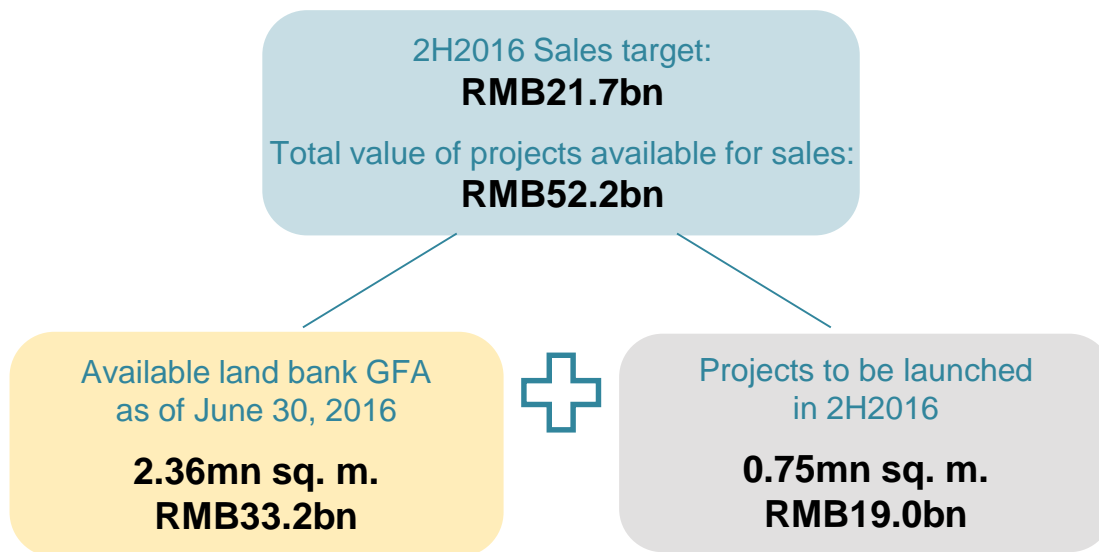
- Continued to lower financing cost incurred through traditional funding methods, and kept bank borrowing costs **below** benchmark interest rate
- Adhered to cost-oriented principle, and had debt levels under control in an effort to optimize funding cost

Section 3

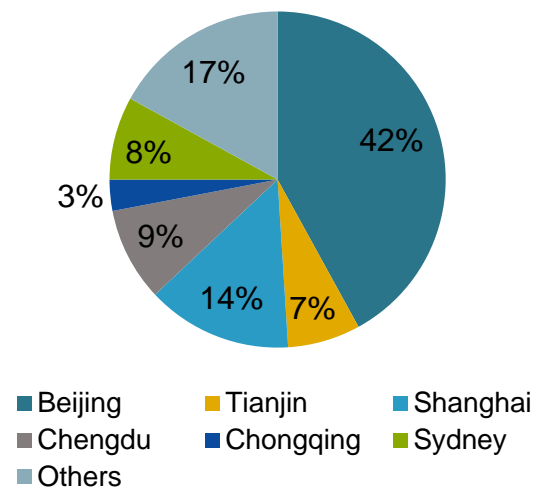
2H2016 Outlook

Sales Target and Measures in 2H2016

- **Sales Target:** RMB21.7bn in 2H 2016, and RMB38bn for the entire year 2016
- **Available Resources:** GFA available for sale in 2H2016 totals RMB52.2bn
- **Strategic Focus:** 63% of products available for sale in 2H2016 are in **Beijing, Shanghai & Tianjin**, totaling RMB33.0bn, with a possibly higher sell-through rate
- **Key Projects to be Launched:** High-end products including “Capital of Western Village” (天阅西山) and “Capital of Vision” (天阅滨江) of “**Tian Yue**” series will be put on the market in 2H 2016. Intensive attention has been attracted



**Total value of Projects for sale in 2016
Breakdown by Cities**



QUALITY GROWTH

Achieve Sales Target with Quality

1. Balance transaction volume and price and ensure sufficient new supply
2. Set up centralized contract-signing center, strengthen in-house sales team, establish integrated marketing management system
3. Achieve full-year target of RMB38bn contracted sales

Aquire Strategic Resources

1. Primary land development projects and shantytown renovation projects
2. Development opportunities alongside transportation lines
3. Industrial areas renovation projects

Expand Outlets Nationwide

1. Continuously expand outlets business
2. Integrate business resources, establish business across the value-chain
3. Seek breakthrough in equity financing

Innovate Capital Management

1. Control debt levels, optimize debt costs
2. Accelerate A-share listing process
3. Tap into property funds and asset securitization
4. Leverage on capital merger & acquisition, explore business transformation

Q&A



Thank You!

