



CCXAP affirms Beijing Capital Land Ltd. long-term credit rating at AA_g-, with stable outlook

Hong Kong, 27 October 2017 -- China Chengxin (Asia Pacific) Credit Ratings (“CCXAP”) has affirmed the long-term credit rating of Beijing Capital Land Ltd. (“BCL”) at AA_g-. The rating outlook is stable.

Rating Rationale

The AA_g- rating of Beijing Capital Land Ltd. (“BCL” or the “Company”) is underpinned by the Company’s (1) growing contracted sales from core cities of China as well as Australia; (2) sufficient and quality land bank mainly in Beijing, Shanghai, Tianjin and Shenzhen; (3) stable revenue growth and improved gross margin; (4) diversified funding channels; and (5) strong support from its parent company. However, the rating is also constrained by (1) fluctuations in China’s property market; (2) intensive capital expenditure along with outlets business expansion; and (3) moderate credit metrics in terms of liquidity and leverage.

Rating Outlook

The stable outlook on BCL’s rating reflects its good operational performance in core markets and efficient financial management. We believe that the Company will maintain its competitive strength as a state-owned enterprise.

What could upgrade the rating?

The rating could be upgraded if the Company (1) demonstrates a track record of sustainable contracted sales and improving profit margins; (2) expands outlets business and attracts higher volume of customers; and (3) improves its credit metrics.

What could downgrade the rating?

The rating could be downgraded if (1) the operating environment in China deteriorates significantly; (2) the Company’s credit metrics are worse than anticipated; or (3) the Company becomes aggressive in debt-funded expansion.

Rating Methodology

CCXAP’s public ratings are available at www.ccxap.com (Rating Results>Ratings Surveillance) and may be distributed through media and other means. The methodology used in this rating is Global Rating Methodology for Real Estate Development Industry dated May 2017, available at www.ccxap.com (Rating Process -> Rating Methodology).

Contacts of Credit Ratings

The first name below is the lead rating analyst for this rating and the last name below is the person primarily responsible for approving this rating.

Elle Hu

General Manager -- Credit Ratings

elle_hu@ccxap.com

Guo Zhang

Director -- Credit Ratings

guo_zhang@ccxap.com

Tel: +852-2860 7111

Disclaimer

Credit ratings assigned by China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) are based on CCXAP’s rating principles of independence, fairness and objectivity. A credit rating reveals and ranks specific risks, but it does not cover all risks embedded in the rated entity or the rated debt issue.

Credit ratings are not recommendations for investors to buy, sell or hold debt securities, nor measurements of market value of the rated entities or the rated debt issues. While CCXAP has obtained information from sources it believes to be reliable, CCXAP does not perform an audit and undertakes no duty of due diligence or independent verification of information it receives from the rated entity.

CCXAP’s public ratings are available at www.ccxap.com (Rating Results) and may be distributed through media and other means. The methodology used in this rating is Global Rating Methodology for Real Estate Development Industry dated May 2017, available at www.ccxap.com (Rating Process -> Rating Methodology).

All information published in this document belongs to CCXAP and is subject to change without prior notice by CCXAP. CCXAP considers the information contained in this document reliable. However, all information is provided on an "as is" and "as available" basis and CCXAP does not guarantee the accuracy, adequacy, completeness or timeliness of any information included in this document. None of the information may be used, including without limitation reproducing, amending, sending, distributing, transferring, lending, translating, or adapting the information, for subsequent use without CCXAP's prior written permission.

CCXAP is not liable for any in whole or part caused by, resulting from or relating to any error (neglect or otherwise) or other circumstance or contingency within or outside the control of CCXAP's or any of its directors, officers, employees or agents in connection with the procurement, collection, compilation, interpretation, analysis, editing, transcription, publication, communication or delivery of any such information, or any direct, indirect, special, consequential, compensatory or incidental damages whatsoever (including without limitation lost profits), even if CCXAP, or representatives thereof, are advised of the possibility of such damage, losses or expenses.

China Chengxin (Asia Pacific) Credit Ratings Company Limited

Address: Suites 805-808, Jardine House, 1 Connaught Place, Hong Kong

Website: www.ccxap.com

Email: info@ccxap.com

Tel: +852-2860 7111

Fax: +852-2868 0656