



Xinyuan Real Estate

Investor Presentation

May 2015

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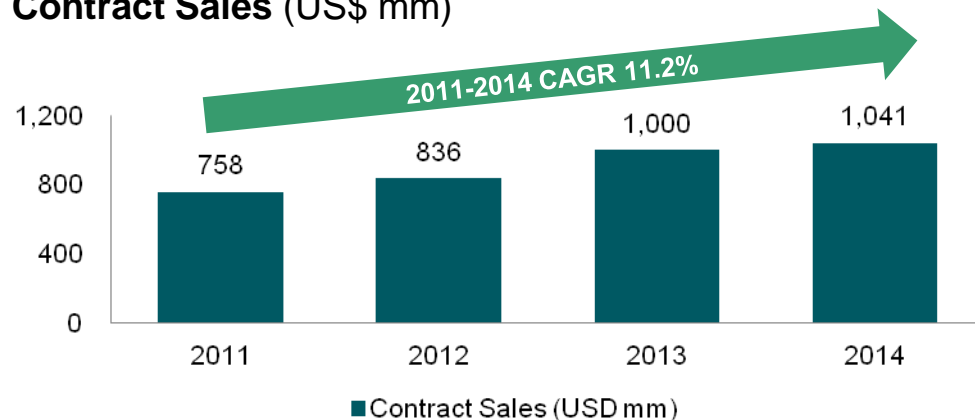
Company Overview

- ✓ A leading real estate developer focusing on High Growth Cities in China
- ✓ Provide high-quality, affordable residential projects to middle income customers
- ✓ Solid operational track record in 13 cities, covering 135 million people
- ✓ First Chinese real estate developer listed on NYSE, first Chinese developer in NYC



As of Mar 31, 2015	No. of Projects	GFA('000M ²)
Completed	32	4,206
Under construction	17	3,431
Under planning	6	1,275
Properties held	2	3
Total	57	8,916

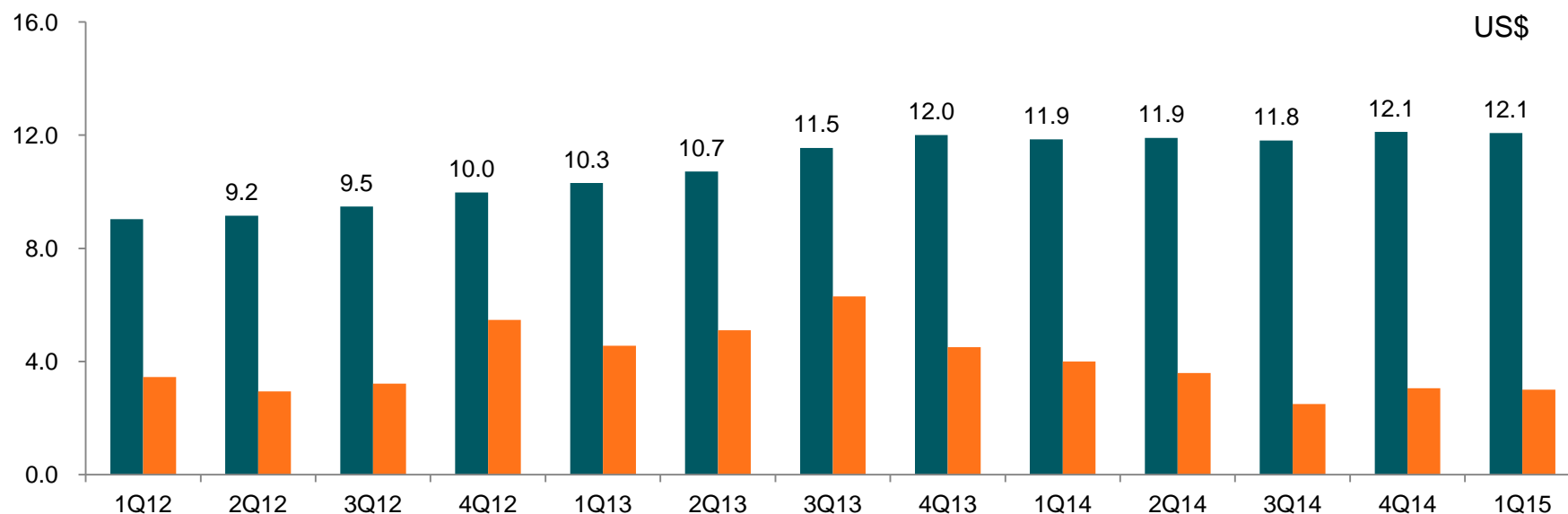
Contract Sales (US\$ mm)



Attractive Valuation

Ticker	▶	XIN (NYSE)	Market Cap.	▶	\$222 million
Price	▶	\$3.01	Shares Out	▶	73.5 million ADS
P/E	▶	5.2x	P/B	▶	0.25x

Book value vs Stock price



Note: as of May 15, 2015

Key factors to drive China's property development in the next 10 years

- ✓ Sustainable GDP growth
- ✓ Urbanization – China is in urbanization period, which may last decades. People move from rural area to city, from small city to big city
- ✓ Upgrade demand – emerging middle class seeking to improve their living standard

Policies issued to stimulate the market after softness in 2014

- ✓ No business tax for residential property transactions that were resold after two years (previously five years)
- ✓ Down payment ratio cut to 40% from 60% for second home buyers
- ✓ Encourage municipal government to buy commercial houses as public house offerings
- ✓ More favorable policy for buyers to use public housing fund
- ✓ Decrease in the benchmark interest rate 3x since Nov 2014
- ✓ Lower deposit reserve ratio

Xinyuan's Strategy

Focused on High Growth Cities



Xinyuan's projects in China are mainly located in low-risk and fast-growing cities. The fast growing regional economy has generated substantial housing demand

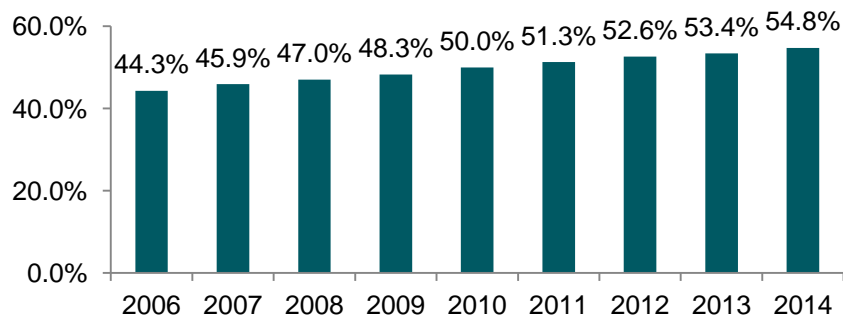
Focus on High-Growth Cities



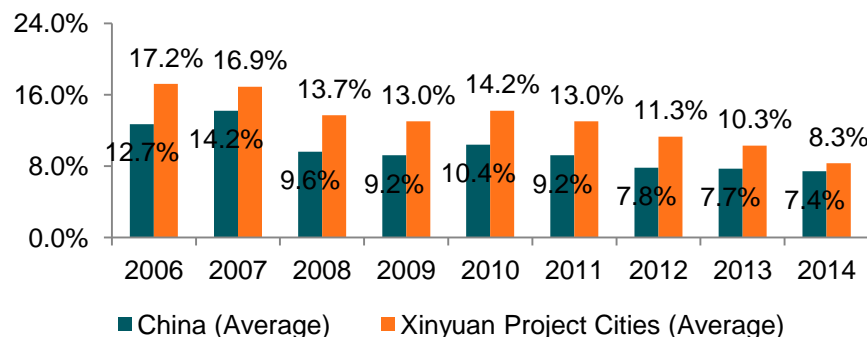
2014 Economic Indicators

		Population (million)	GDP Growth Rate
1	Chengdu	16.4	10%
2	Zhengzhou	9.2	12.0%
3	Jinan	7.0	9.6%
4	Hefei	7.6	12.5%
5	Suzhou	6.5	9.8%
6	Kunshan	2.4	10%
7	Xuzhou	10.0	11.8%
8	Beijing	21.1	7.7%
9	Sanya	0.7	9.3%
10	Changsha	7.2	12%
11	Shanghai	24.2	7.7%
12	Xi'an	8.6	11.1%
13	Tianjin	14.1	11.5%
China		135.0	7.4%

Increasing Urbanization in China



GDP Growth Comparison



Xinyuan's Strategy

Cater to Mid-income End-Users

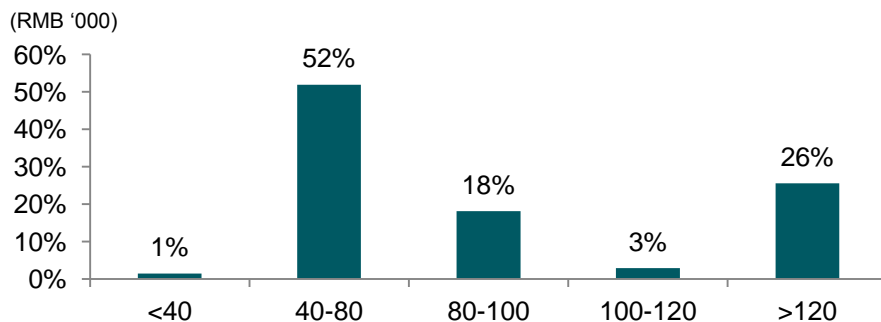


Xinyuan operates in cities with a larger middle-income class and more reasonable housing price

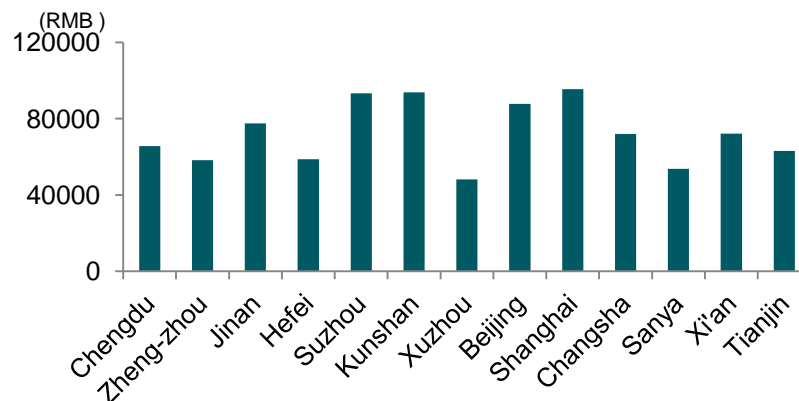
- Xinyuan's projects are located in dynamic and high growth cities
- The Company has expanded its operations through urbanization and strong upgrade in demand from the middle-income class
- Xinyuan expects its land bank to be sufficient for the Company's development needs in the next 3-5 years

Xinyuan's Residential Projects to Meet the Inelastic Demand from the Middle-Income Class

2014 Total Property Value Distribution



2014 Urban Household Disposable Income⁽¹⁾



Source: 2014 China Statistical Yearbook and National Economic and Social Development Statistics Bulletin of the respective cities.

1. Assuming 2 working family members per household.

Xinyuan's Strategy

Scaling Operations while Maintaining Prudent and Diversified Land Acquisition Strategy



- ✓ Xinyuan is focused on increasing the scale of operations as China's real estate industry consolidates

Scaling Operations

- China's real estate industry is consolidating
- Large developers have more opportunities of land acquisition in public auction, negotiation and M&A;
- Larger developers enjoy lower financing cost;
- important for Xinyuan to increase its scale in the next few years

- ✓ Xinyuan is committed to building up its land bank in a disciplined manner

Prudent and Diversified Land Bank Strategy

- Xinyuan pursues a prudent and diversified land acquisition strategy.
 - ▶ The Company establishes deep and early involvements and negotiations with local government to increase certainty of land acquisition
 - ▶ The Company acquires quality land parcels that are ready for construction by auction, and avoids high relocation costs and complicated procedures
- The Company expects its land bank to be sufficient

Target Investment Margins

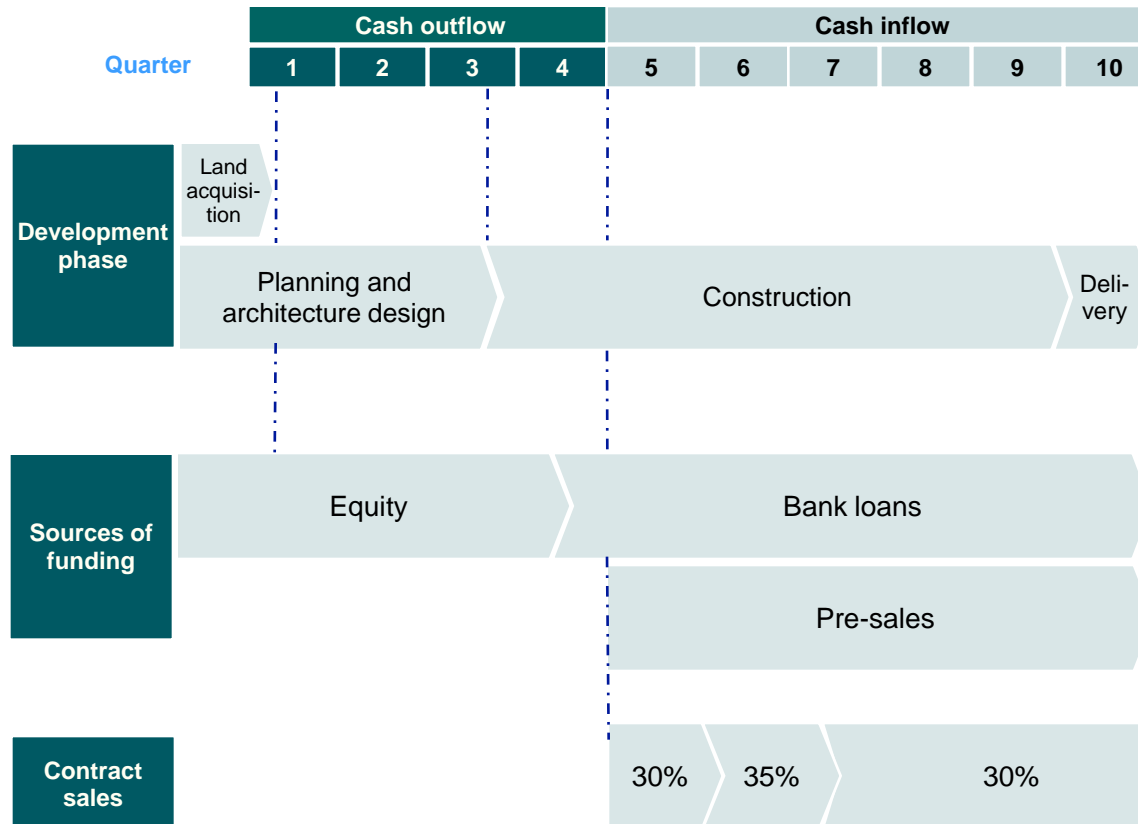
- The Company acquires quality land parcels to maintain profitability
- Xinyuan mainly acquires its land bank through land auction and acquisitions
- Projects' target gross margin and net margin are typically above 25% and 10%, respectively
- Land acquisitions are usually self-funded. Current Average Land Cost is generally at 30% of Average Selling Price

Xinyuan's Strategy

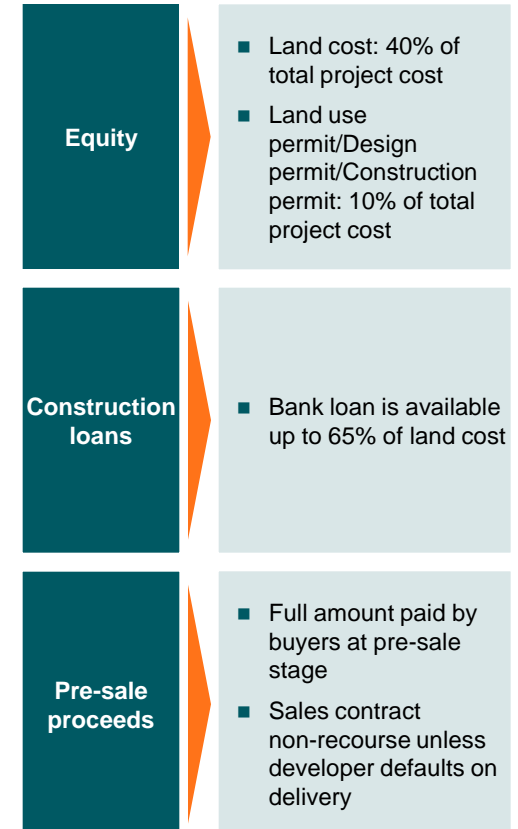
Pre-selling Mitigates Financing and Overall Development Risks



Average Development Process (Project with GFA of 200,000sqm)



Funding sources



- Construction starts within 2-3 quarters upon land acquisition
- Pre-sales starts within 3-4 months after construction commence
- 95% sales completed before project completion
- Cash flow becomes positive in the 4th-5th quarter

2015 Q1 Highlights

- ✓ As of March 31, 2015, the Company's total sellable GFA was approximately 3.23 million sqm, representing both active projects and projects in the planning stage
- ✓ Started presales of one project, Shanghai Royal Palace with GFA of 57.8k sqm in Q1
- ✓ Acquired 82% of the equity interest in Shandong Highway Shengxuan Real Estate Co., Ltd., for the purpose of acquiring a land project in Jinan, Shandong Province. When the acquisition is completed, Xinyuan will hold 100% of the local company with consideration of approximately RMB 717 million
- ✓ Paid dividend of US\$0.05/ADS in March 2015
- ✓ At the end of 2014, the Company acquired 100% share of a Malaysian company, which owns offshore landfill development rights for a total area of 170 acres in the consideration of US\$10 million

Business Updates

Major Active Projects in China



Project	Total GFA (‘000 sqm)	% Sold	Land Cost (RMB/sqm)	ASP (RMB/sqm)	Time of Pre-sale Commencement
Zhengzhou Xin City	209	91%	2,661	10,118	Sep.13
Kunshan Royal Palace	284	30%	2,969	9,197	Nov.13
Suzhou Xin City	127	97%	2,121	8,918	Sep.13
Jinan Xinyuan Splendid	572	97%	1,924	8,738	May.11
Xuzhou Colorful City	129	36%	1,820	9,038	Nov.13
Beijing Xindo Park	132	61%	7,797	22,374	Mar.14
Zhengzhou Thriving Family	132	89%	1,186	7,200	Jun. 14
Xingyang Splendid I	118	48%	893	5,114	May. 14
Xingyang Splendid II	138	3%	1,161	11,297	Dec, 14
Jinan Royal Palace	449	9%	2,674	6,383	Jun.14
Suzhou Lake Royal Palace	170	9%	5,896	8,515	Jul. 14
Chengdu Thriving Family	215	6%	4,348	5,521	Sep. 14
Sanya Yazhou Bay No.1	117	7%	3,054	14,441	Nov.14
Changsha Xinyuan Splendid	253	4%	2,703	5,154	Nov.14
Xi'an Metropolitan	293	3%	1,980	6,294	Dec.14
Shanghai Royal Palace	58	6%	15,759	20,755	Jan.15

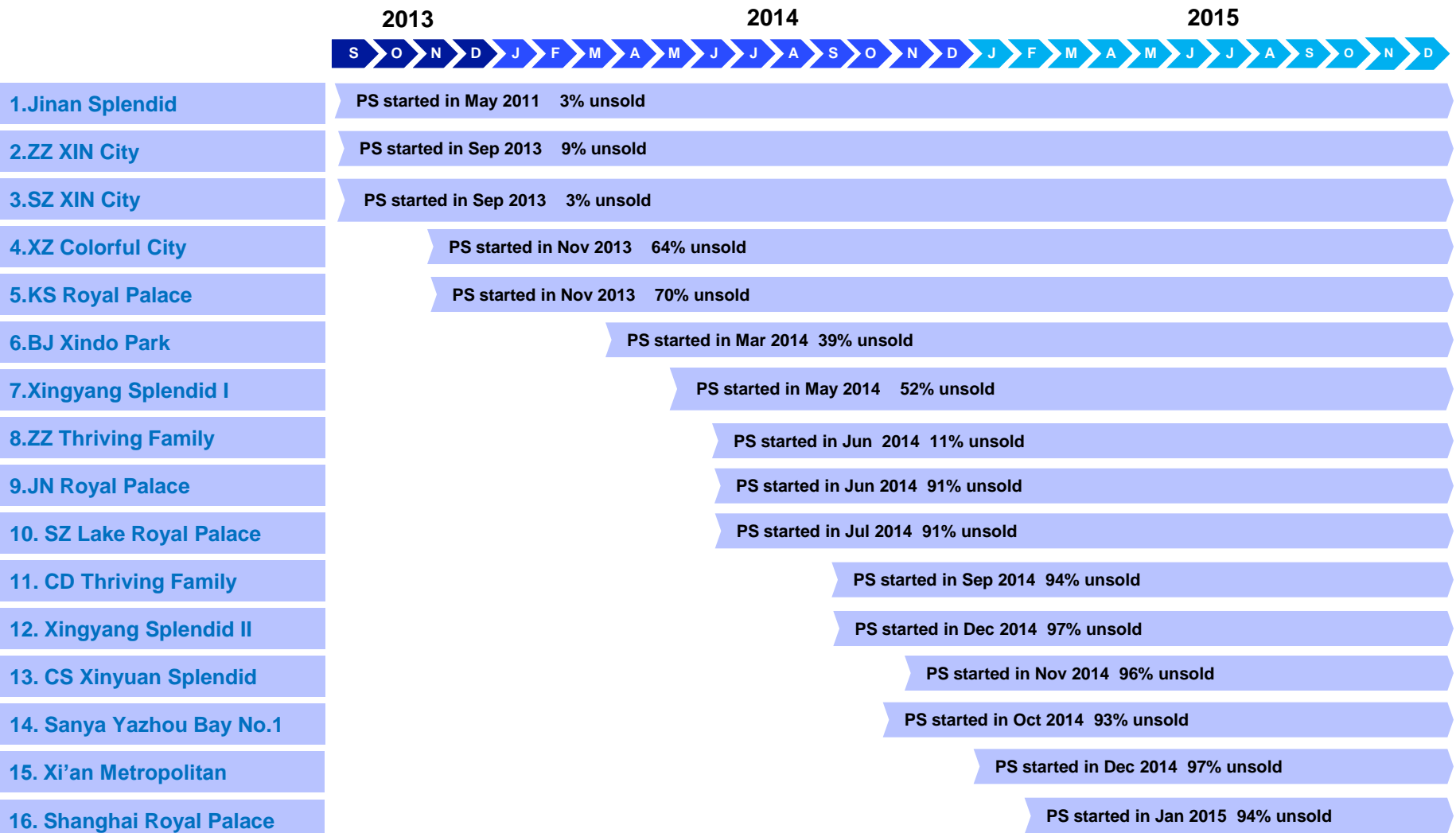
Notes: Data as of Mar 31, 2015

Business Updates

Active Projects



Timeline for current projects



Unsold GFA of Active Projects : 1,981,200 sqm. (as of Mar 31, 2015)

Business Updates

Projects Under Planning in China



	Unsold GFA (m ² 000)	Pre sales Scheduled
Xingyang Splendid III	37.4	Q4 2015
Zhengzhou Xindo Park (commercial)	146.2	Q2 2015
Newly Acquired Tianjin Land	263.5	Q3 2015
Zhengzhou Jiaotong college project	167.2	Q4 2015
Zhengzhou Nangangliu Project	371.7	Q4 2015
Jinan XIN Central	261.6	Q2 2015
Total projects under planning	1,247.6	
Total active projects	1,981.2	
Total all Xinyuan projects in China	3,228.8	

Financial Highlights



Unit: US\$ mm

	2013	2014	YoY%	2015E YoY%
<hr/>				
Contract sales	1,000	1041	4%	30%
Revenue	898	920	2.5%	-
Net Income	126	49	(61%)	30%

2014 vs. 2013

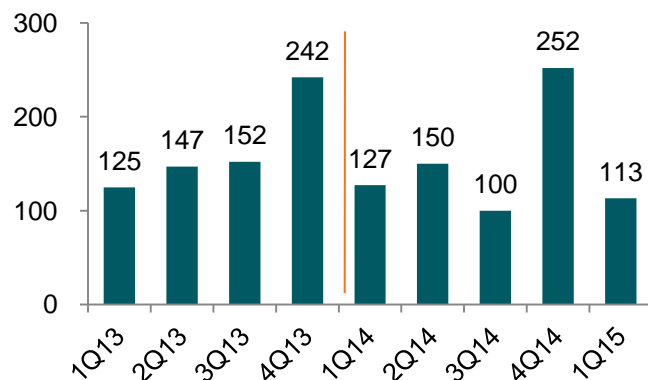
- Net income decrease is due to lower gross margin at the beginning period by using POC recognition method, higher interest expenses and higher SG&A due to operational expansion; we believe the net margin will go up as projects mature

2015E vs. 2014

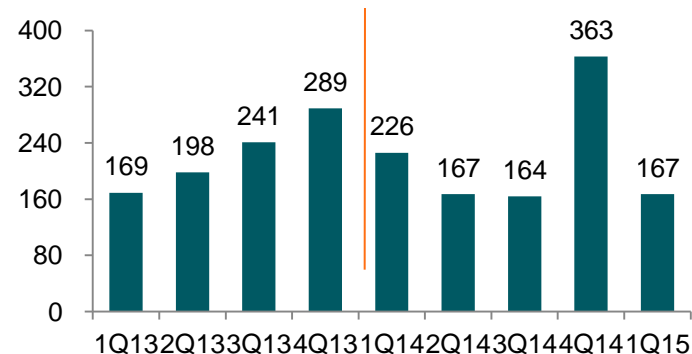
- We expect 2015 contract sales and net income increase 30% versus 2014

Financial Highlights (Cont'd)

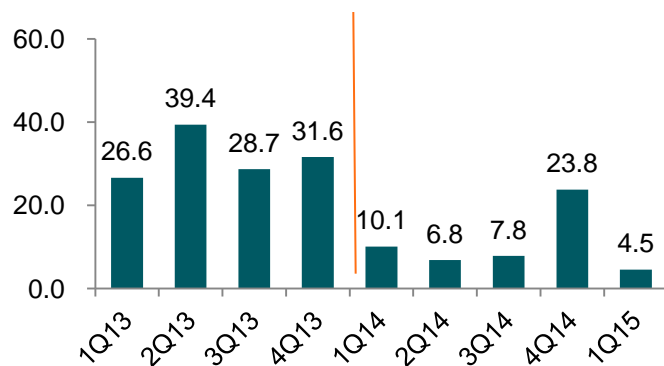
GFA sold ('000 sqm)



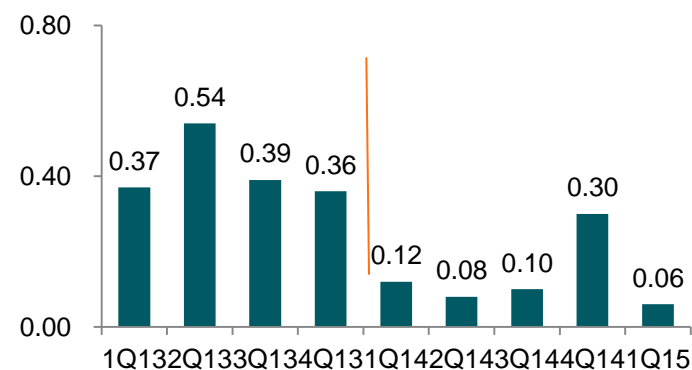
Revenue (USD million)



Net income (USD million)

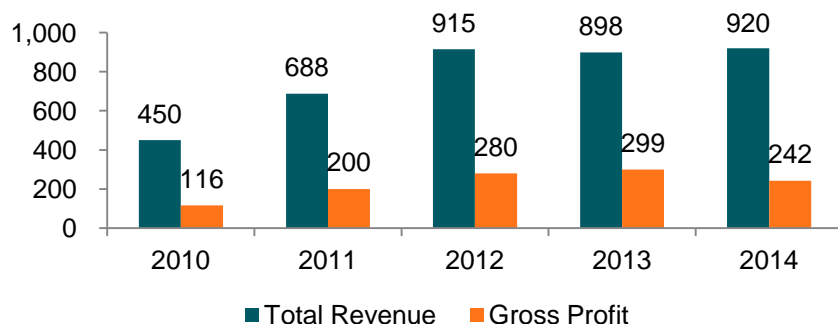


Net Earnings per ADS (USD)

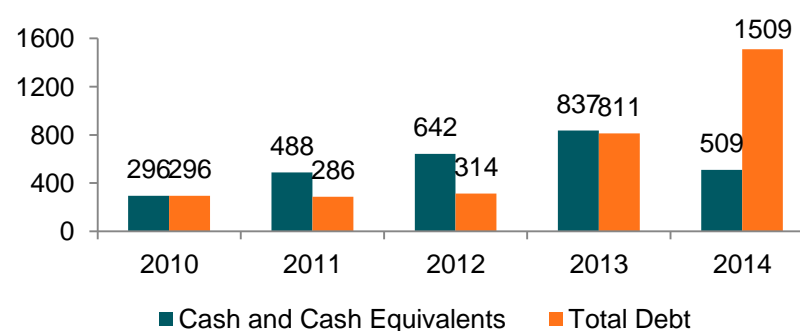


Financial Highlights (Cont'd)

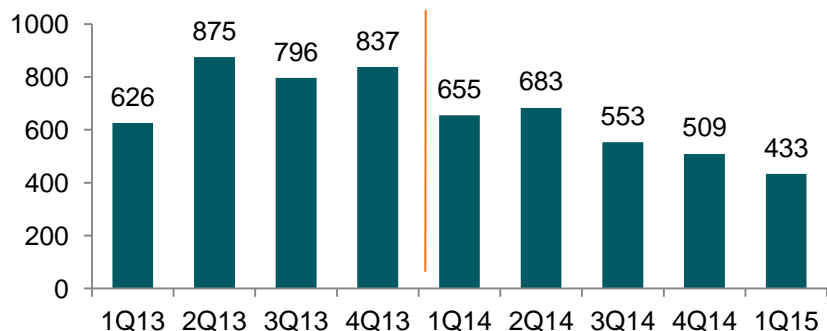
Total Revenue and Gross Profit (US\$mm)



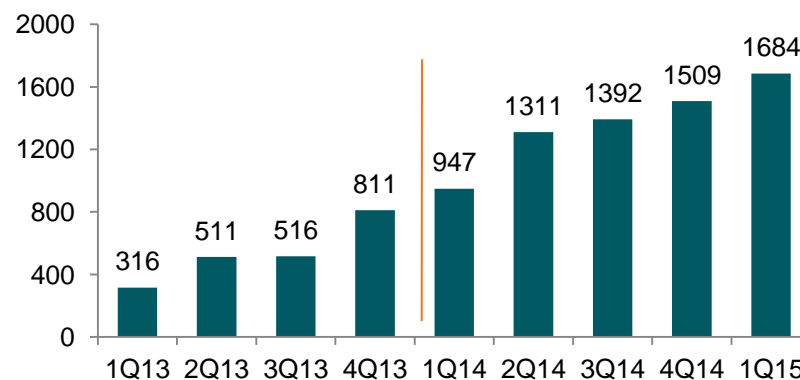
Total Debt and Cash (US\$mm)⁽³⁾



Total cash (US\$mm)



Total debt (US\$mm)



Appendix I



Financial Statements

P&L Summary



P & L (Quarterly) (All US\$ amounts and number of shares data in thousands, except per share data)

	Q1 2015	Q4 2014	Q1 2014
Revenue	166,718	362,900	226,412
Cost of sales	(118,737)	(266,820)	(167,043)
Gross Profit	\$47,981	\$96,080	\$59,369
Selling expenses	(7,267)	(17,361)	(4,781)
G&A expenses	(20,398)	(35,725)	(19,494)
Operating income	\$20,316	\$42,994	\$35,094
Interest income	5,448	8,711	1,531
Interest expense	(5,459)	(6,189)	(8,641)
Net realized gain on short-term investments	117	3,128	-
Unrealized income on short-term investments	22	(1,983)	-
Other income	4,758	105	-
Loss on extinguishment of debt	0	(9,849)	-
Exchange gains (loss)	26	656	-
Share of income (loss) in an equity investee	(88)	(1,047)	(217)
Earnings before tax	\$25,140	\$36,526	\$27,767
Income Tax	(20,632)	(12,685)	(17,717)
Net income	\$4,508	\$23,841	\$10,050

Balance Sheet



	As of Mar 31, 2015	As of Dec 31, 2014		As of Mar 31, 2015	As of Dec 31, 2014
	(\$'000)	(\$'000)		(\$'000)	(\$'000)
Cash and cash equivalents and short-term investment	444,270	515,377	Short-term bank loans	281,924	293,450
Deposits for land use right	192,729	299,739	Accounts payable & other payables	389,829	444,051
Accounts receivable	9,232	15,457	Customer deposits	147,032	107,163
Other receivables	124,792	134,817	Tax payable	65,098	62,429
Restricted deposit	69,096	69,358	Deferred tax liabilities	108,747	91,202
Other deposits and prepayments	201,462	152,289	Current portion of long-term bank loans and other debt	571,683	586,841
Advances to suppliers	44,071	29,787	Current maturities of capital lease obligations	2,999	3,010
Real Estate property held for sale	0	1,185	Redeemable noncontrolling interests	4,070	4,486
Real estate property development completed	11,948	12,309	Total current liabilities	1,571,382	1,592,632
Real estate property under development	2,045,431	1,714,575	Long-term bank loans	43,633	52,296
Other current assets	101,082	125,563	Deferred tax liabilities	12,174	9,825
Total current assets	3,244,113	3,070,456	Unrecognized tax benefits	13,964	14,005
Real estate properties held for lease, net	77,123	69,224	Other long-term debt	786,293	576,204
Property and equipment, net	45,058	46,476	Capital lease obligations, net of current maturities	22,696	23,500
Other non-current assets	46,304	45,369	Redeemable noncontrolling interests	3,093	2,451
Total non-current assets	168,485	161,069	Total liabilities	2,453,235	2,270,913
			Total Shareholder's Equity	959,363	960,612
TOTAL ASSETS	3,412,598	3,231,525	Total liabilities & shareholder's Equity	3,412,598	3,231,525

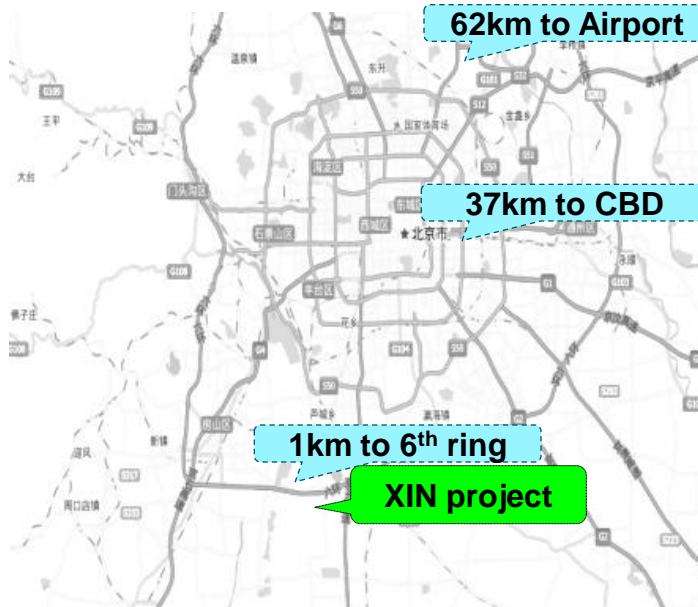


Appendix II



Typical Active and New Projects

Beijing Xindo Park



Project highlights

Date Purchased:	Sep 2012
Total GFA:	132,000 sqm
Site Area:	57,862 sqm
Land premium:	RMB1,030 million
Floor price:	RMB7,797/sqm
ASP:	RMB22,305
Presale Date:	Q1 2014
Construction Period:	Q4 2013 – Q4 2016
Master Planning:	Residential

- Located in Daxing District of Beijing next to south 6th ring. We started presales in March 2014.

Jinan Royal Palace



Project highlights

Date Purchased:	Nov 2013
Total GFA:	449,000 sqm
Site Area:	140,000 sqm
Land premium:	RMB1,200 million
Floor price:	RMB2,674/sqm
ASP:	RMB6,383sqm
Presale Date:	Q2 2014
Construction Period:	Feb 2014 – Jun 2016
Master Planning:	Residential

- This project is next to Jinan express railway station, which is a key development area in Jinan.

Xingyang Splendid I and II



Project highlights

Date Purchased	Sep-13
Total GFA	255,000 sqm
Site Area	96,000 sqm
Land premium	RMB265 million
Floor price	RMB1,039/sqm
ASP	RMB5,385/sqm
Presale Date	Q2 2014
Construction Period	Apr 2014 – Dec 2018
Master Planning	Residential & Commercial

- Located in downtown of Xingyang, which is 15 km to Zhengzhou City.

Zhengzhou Thriving Family



Project highlights

Date Purchased	Sep-2013
Total GFA	132,000sqm
Site Area	84,000 sqm
Land premium	RMB156 million
Floor price	RMB1,186/sqm
ASP	RMB7,200/sqm
Presale Date	Q2 2014
Construction Period	Apr 2014 – Apr 2017
Master Planning	Residential

- The Project is located in the Er Qi District of Zhengzhou, which is near the south 4th ring road of the city.

Suzhou Lake Royal Palace



Project highlights

Date Purchased	Sep-2013
Total GFA	170,000sqm
Site Area	114,624 sqm
Land premium	RMB1000 million
Floor price	RMB5,896/sqm
ASP	RMB8,515/sqm
Presale Date	Q3 2014
Construction Period	Apr 2014 – Jan 2017
Master Planning	High rise

- The land parcel is located next to Jinji Lake scenic spots in Suzhou City, Jiangsu Province.

Sanya Yazhou Bay No.1



Project highlights

Date Purchased	Jan 2014
Total GFA	117,000sqm
Site Area	78,831 sqm
Land premium	RMB357 million
Floor price	RMB3,054/sqm
ASP	RMB14,441/sqm
Presale Date	Q4 2014
Construction Period	Q4 2014 – Q4 2016
Master Planning	SOHO

- In recent years, purchasing holiday properties has become increasingly popular. Sanya has been the most popular domestic tourist destination for four consecutive years.
- SOHO originally refers to Small Office/ Home Office, while now it is regarded as small apartment at GFA of 40-80 sqm for office, living and hotel function.

Chengdu Thriving Family



Project highlights

Date Purchased	Jan 2014
Total GFA	215,000sqm
Site Area	75,038 sqm
Land premium	RMB934 million
Floor price	RMB4,348/sqm
ASP	RMB5,521/sqm
Presale Date	Q3 2014
Construction Period	Q3 2014 – Q2 2017
Master Planning	High rise

- The land parcel is located in Tianfu New District, a new economic zone in Chengdu City, the capital city of southwest China's Sichuan province

Changsha Xinyuan Splendid



Project highlights

Date Purchased:	Mar 2014
Total GFA:	253,000 sqm
Site Area:	89,460 sqm
Land premium:	RMB 689 million
Floor price:	RMB 2,703/sqm
ASP:	RMB 5,154/sqm
Presale Date:	Q4 2014
Construction Period:	Q4 2014 – Q3 2017
Master Planning:	High rise

- The target project is next to Meixi Lake, which is the most important development area in Changsha, while the GDP per capita in Changsha is ranked No.1 among the capital cities of China's central provinces

Shaanxi New Project



Project highlights

Date Purchased:	July 2014
Total GFA:	293,000 sqm
Site Area:	85,118 sqm
Land premium:	RMB 580 million
Floor price:	RMB 1,980/sqm
ASP:	RMB 6,294/sqm
Presale Date:	Q4 2014
Construction Period:	Q4 2014 – Q3 2016
Master Planning:	High rise

- This land parcel is located in Daxing New District in the northwest area of Xi'an City, close to the 2nd ring. The land parcel is comprised of two pieces with the larger area intended for residential development and the smaller area for commercial development.

Shanghai Royal Palace



Project highlights

Date Purchased:	Apr 2014
Total GFA:	58,000 sqm
Site Area:	28,600 sqm
Land premium:	RMB914 million
Floor price:	RMB15,759/sqm
ASP:	RMB20,755/sqm
Presale Date:	Q1 2015
Construction Period:	Q4 2014 – Q3 2016
Master Planning:	High rise

- This land parcel is located 17 kilometers west of Shanghai's Hongqiao Airport in the scenic Qingpu District. A subway line passing through the area is under construction and is projected to open in early 2017.

U.S. Projects Overview

The U.S. portfolio mainly comprises developed projects with relatively lower development risks

Oosten Project



- **Purchased Date:** September 2012
- **Total GFA:** 37,078 sqm
- **Site Area:** 8,094 sqm
- **Land Premium:** US\$54.2 million
- **Average Floor Price:** RMB9,195 / sqm
- **Construction Commencement Date:** Q4 2013
- **Expected Date of Completion:** Q3 2016
- **Type of Products:** Multi-layer building

- As of March 31, 2015, 100% of the concrete superstructure has been completed.
- Continue to work on the mechanical, plumbing and electrical system.
- ASP on per-square-foot basis increased 25% since the Company began presales since the third quarter 2014.
- At the end of March 31, 2015, the total contract amount was around US\$125 million.

Appendix III



Project Summary

Projects under Construction / Planning

As of Mar 31, 2015

	Cheng du	Zheng zhou	Jinan	Suzhou	Kunshan	Xuzhou	Beijing	New York	Sanya	Shang hai	Chang sha	Xi'an	Tian jin	Total
Projects under Construction														
No. of projects	1	4	2	2	1	1	1	1	1	1	1	1		17
No. of units	2,592	7,445	13,680	2,903	2,581	1,452	1,199	216	1,605	622	2,926	3,323		40,544
GFA (sqm)	214,811	595,502	1,020,900	296,923	284,283	129,080	132,064	37,078	116,929	57,767	252,720	293,042		3,431,098
Projects under Planning														
No. of projects		4	1										1	6
No. of units														-
GFA (sqm)		722,464	261,583										290,972	1,275,018

Beijing Xindo Park



Zhengzhou Xindo Park



Xingyang Splendid



Jinan Royal Palace



Suzhou XIN City



Appendix IV



Strong Board and Management

Experienced Management



Yong Zhang
Chairman

- Founded Xinyuan in 1997
- Vice chairman of Henan Real Estate Association, Deputy to the 11th People's Congress of Henan Province
- Over 20 years of working experience in the real estate industry
- Received an MBA degree from Tsinghua University



Xinqi Wang
Director and CEO

- Former Vice president and GM of Northern Projects Management Center at Wanda Commercial Property Co., Ltd.
- Twenty years of experience in China's real estate Sector



George Liu
CFO

- Former Chief Financial Officer at Savills Asia Pacific since 2011
- Former Financial Controller at Stena Envac Asia Region
- Received an MBA degree from Cornell University

Superior Corporate Governance Led by Experienced Management Team



Yong Zhang
Chairman

- Founded Xinyuan in 1997
- Vice chairman of Henan Real Estate Association, Deputy to the 11th People's Congress of Henan Province
- Over 20 years of working experience in the real estate industry
- Received an MBA degree from Tsinghua University



Xinqi Wang
Director and CEO

- Former Vice president and GM of Northern Projects Management Center at Wanda Commercial Property Co., Ltd.
- Twenty years of experience in China's real estate Sector



Thomas Gurnee
Director

- Prior experience include member of Audit Committee in two U.S.-listed Chinese companies
- Over 34 years of working experience in accounting, finance and management
- Received an MBA degree from University of Santa Clara and a bachelors degree from Stanford University



Yuyuan Yang
Director & Vice President

- Co-founder of Xinyuan
- Over 10 years of working experience in the real estate industry
- Received an MBA degree from National University of Singapore



Huai Chen
Independent Director

- Former senior research fellow and director of the Policy Research Center of the MOHURD
- Former deputy director of the Institute of Market Research under the PRC State Councils' Development and Research Center
- Received a PhD from Renmin University of China; visiting professor at Stanford University



Yinfei Hao
Director & Executive Vice President

- Executive Vice President of Legal and Audit Administration
- Over 28 years of working experience in government services
- Received doctorate degree of Management Science and Engineering, an MBA and a master's degree in economics



Yanjun Sun
Director

- Partner and MD at TPG, strategic investor of XIN
- Prior experience include MD of Goldman Sachs and VP of Morgan Stanley



Yong Cui
Director and President

- One of the earliest financial experts in China
- Extensive experience in corporate finance
- Primarily responsible for securities and corporate finance advisory duties
- Received doctorate degree in economics from Renmin University of China



Yumin Liang
Director

- Held progressive positions at Zhengzhou Housing Management Bureau for approximately 18 years

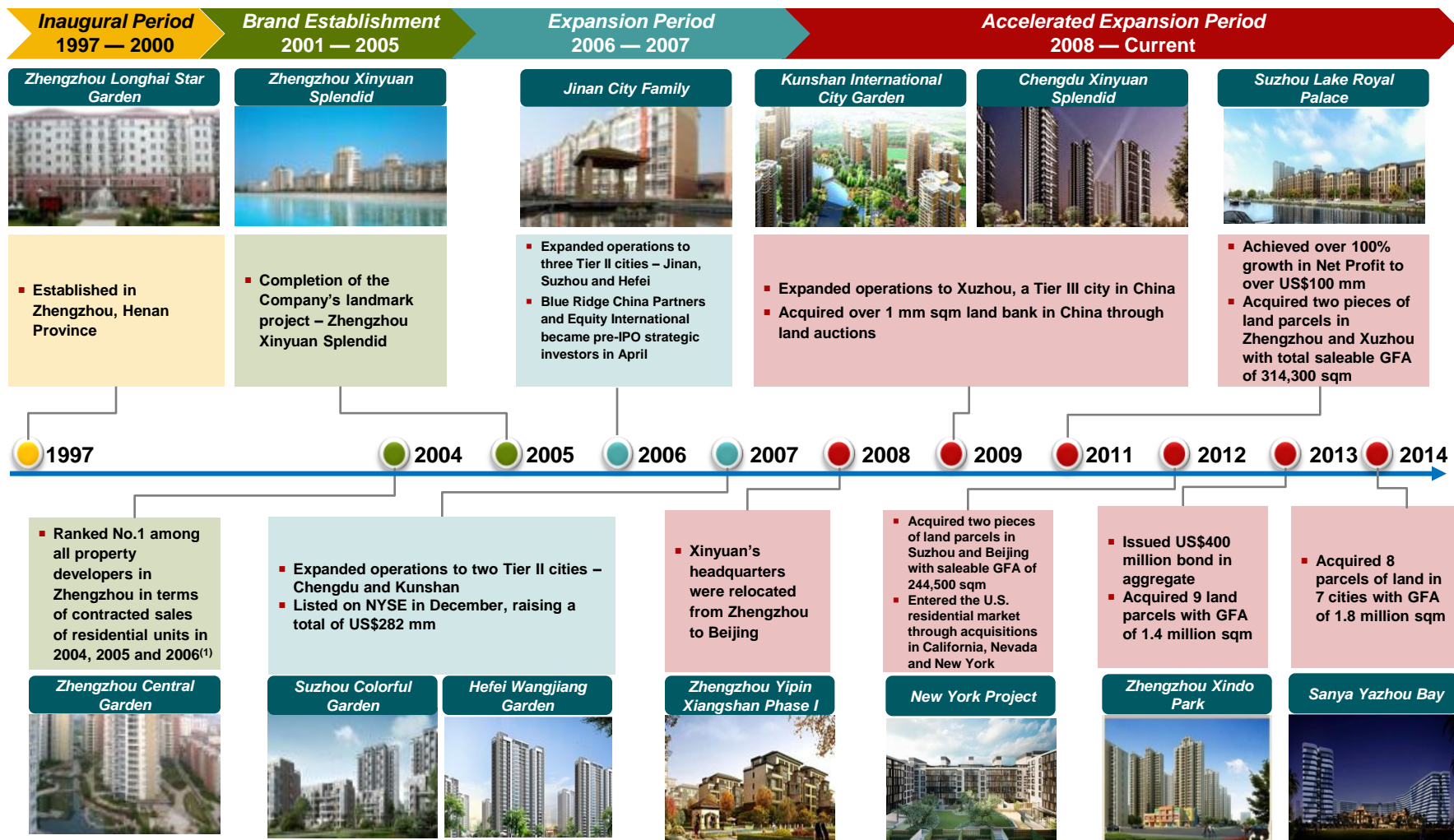
Appendix V



Corporate Milestones

Corporate Milestones

Xinyuan has achieved sustainable and stable growth in its more than 18 years of operational history



1. Based on contracted sales of residential units according to the Bureau of Real Estate Management in Zhengzhou.



鑫苑置业
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THANK YOU

Q&A

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