CAPITAL GRAND

BEIJING CAPITAL GRAND LIMITED
首創鉅大有限公司

(formerly known as Beijing Capital Juda Limited)
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 1329)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017

The board of directors (the "Board" or the "Directors") of Beijing Capital Grand Limited (the "Company") is pleased to present the consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2017, together with comparative amounts for the year ended 31 December 2016, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2017

	Notes	2017 RMB'000	2016 RMB'000
Revenue	5	**511,523**	997,931
Cost of sales		**(286,369)**	(783,723)
Gross profit		**225,154**	214,208
Fair value gains on investment properties	5	**222,394**	431,581
Other gains – net	5	**48,295**	17,214
Other income	5	**142,888**	12,011
Selling and marketing expenses		**(99,675)**	(102,235)
Administrative expenses		**(160,290)**	(122,521)
Operating profit		**378,766**	450,258
Finance costs	7	**(111,676)**	(95,518)
Share of losses of investments accounted for using the equity method		**(694)**	–
Profit before income tax		**266,396**	354,740
Income tax expense	8	**(153,087)**	(126,903)
Profit for the year		**113,309**	227,837
Attributable to:			
– Owners of the Company		**113,159**	227,273
– Non-controlling interests		**150**	564
Earnings per share attributable to owners of the Company during the year	10		
Basic earnings per share (RMB)		**0.04**	0.23
Diluted earnings per share (RMB)		**0.04**	0.23

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2017

	2017 *RMB'000*	2016 *RMB'000*
Profit for the year	**113,309**	227,837
Other comprehensive income for the year	**–**	–
Total comprehensive income for the year	**113,309**	227,837
Attributable to:		
– Owners of the Company	**113,159**	227,273
– Non-controlling interests	**150**	564

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Year ended 31 December 2017

	Notes	31 December 2017 RMB'000	31 December 2016 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		**107,690**	84,377
Investment properties		**7,951,890**	5,525,804
Intangible assets		**2,767**	3,750
Investments accounted for using the equity method		**108,015**	40,000
Deferred income tax assets		**17,829**	45,208
Prepayments	*11*	**–**	394,808
Total non-current assets		**8,188,191**	6,093,947
Current assets			
Inventories		**2,300,719**	2,212,768
Trade and other receivables and prepayments	*11*	**555,291**	364,999
Restricted cash		**58,110**	14,029
Cash and cash equivalents		**1,793,200**	1,910,587
Total current assets		**4,707,320**	4,502,383
Total assets		**12,895,511**	10,596,330
LIABILITIES			
Non-current liabilities			
Borrowings		**2,545,000**	765,000
Guaranteed notes	*12*	**–**	1,295,519
Deferred income tax liabilities		**570,771**	488,103
Total non-current liabilities		**3,115,771**	2,548,622
Current liabilities			
Trade payables	*13*	**984,360**	1,008,826
Other payables and accruals		**1,110,895**	572,505
Borrowings		**660,000**	855,000
Current income tax liabilities		**34,352**	34,318
Guaranteed notes	*12*	**1,298,265**	–
Total current liabilities		**4,087,872**	2,470,649
Net current assets		**619,448**	2,031,734
Total assets less current liabilities		**8,807,639**	8,125,681
Total liabilities		**7,203,643**	5,019,271

	Notes	31 December 2017 RMB'000	31 December 2016 RMB'000
EQUITY			
Equity attributable to owners of the Company			
Share capital	*14*	**16,732**	16,732
Perpetual convertible bond securities		**945,289**	945,197
Reserves		**3,232,215**	3,232,215
Retained earnings		**1,493,338**	1,380,271
		5,687,574	5,574,415
Non-controlling interests		**4,294**	2,644
Total equity		**5,691,868**	5,577,059
Total equity and liabilities		**12,895,511**	10,596,330

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE AND GROUP INFORMATION

Beijing Capital Grand Limited formerly known as "Beijing Capital Juda Limited" before 7 June 2017) (the "Company") is a limited liability company incorporated in the Cayman Islands. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company and its subsidiaries (collectively referred to as the "Group") are engaged in outlets-backed integrated property, commercial property development and operation in the People's Republic of China (the "PRC" or "Mainland China").

As announced on 25 June 2015, Get Thrive Limited ("GTL"), an indirectly wholly-owned subsidiary of Beijing Capital Land Ltd. ("BCL", a joint stock company incorporated in the PRC with limited liability whose H shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited) has transferred (the "Transfer") its entire shareholding of ordinary shares of the Company of 130,200,000 shares (representing approximately 65.1% of the Company's total issued share capital as at the date of the announcement) and its entire shareholding of convertible preference shares of the Company (the "CPS") of 738,130,482 CPS (representing 100% of the total CPS in issue as at the date of the announcement, classified as class A CPS) to BECL Investment Holding Limited ("BECL"), a directly wholly-owned subsidiary of BCL incorporated in Hong Kong, on 19 June 2015. Upon the completion of the Transfer, the parent of the Company changed from GTL to BECL.

On 14 December 2016, the Company issued 905,951,470 CPS, which is classified as class B CPS, to BECL at the issue price of Hong Kong dollar ("HK$") 2.78 per share.

On 28 December 2016, the Company issued 95,192,308 ordinary shares to Smart Win Group Limited ("Smart Win") and to KKR CG Judo Outlets ("KKR") respectively (the "Issuance"), at the issue price of HK$2.10 per share. Meanwhile, the Company issued perpetual convertible bonds securities (the "PCBS") in the principal amounts of HK$657,594,260 to Smart Win and in the principal amounts of HK$420,096,153 to KKR respectively, which are convertible at the initial conversion price of HK$2.10 per conversion share.

On 28 December 2016, BECL exercised its conversion rights and converted an aggregate of 571,153,846 class A CPS in accordance with the terms and conditions of the relevant subscription agreement entered into by the Company (the "Conversion").

Upon the completion of the Issuance and the Conversion, BECL held 72.94% of the Company's total issued share capital.

In the opinion of the directors of the Company, the immediate holding company of the Company is BECL. The intermediate holding company of the Company is BCL. The ultimate holding company of the Company is Beijing Capital Group Ltd. ("Capital Group"), a state-owned enterprise registered in the PRC.

The consolidated financial statements are presented in Renminbi ("RMB"), unless otherwise stated. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The consolidated financial statements have been approved and authorised for issue by the Board of Directors on 26 February 2018.

2. BASIS OF PREPARATION

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, which are carried at fair value.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

3. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Group

The following amendments to standards have been adopted by the Group for the first time for the financial year beginning on 1 January 2017:

Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Annual improvement	Annual improvement to HKFRS standards 2014-2016 cycle
Amendments to HKAS 7	Disclosure initiative

The adoption of amendments to HKAS 12 and annual improvement to HKFRS statements 2014-2016 cycle did not have any impact on the current period or any prior period and is not likely to affect future periods. Amendments to HKAS 7 require disclosure of changes in liabilities arising from financing activities.

(b) Standards and amendments which are not yet effective

The following are new/revised standards and amendments to existing standards that have been published and are relevant and mandatory for the Group's accounting periods beginning on or after 1 January 2018 or later periods, but have not been early adopted by the Group.

HKFRS 9	Financial instruments[i]
HKFRS 15	Revenue from contracts with customers[i]
Amendments to HKAS 40	Transfers of investment property[i]
HKFRS 16	Leases[ii]

(i) Effective for annual periods beginning on or after 1 January 2018
(ii) Effective for annual periods beginning on or after 1 January 2019

- HKFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

  Financial assets held by the Group mainly include trade and other receivables measured at amortised cost. The Group does not expect the new guidance to significantly affect the classification and measurement of these financial assets.

  There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities.

  The new impairment model requires the recognition of impairment provisions based on expected credit losses rather than only incurred credit losses as is the case under HKAS 39. It applies to financial assets classified at amortised cost, contract assets under HKFRS 15 Revenue from Contracts with Customers, and certain financial guarantee contracts. Based on the assessments undertaken to date, the Group does not expect material impact on the loss allowance for trade debtors and in relation to debt investments held at amortised cost.

- HKFRS 15 is a new standard for the recognition of revenue. This will replace HKAS 18, which covers contracts for goods and services and HKAS 11, which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption. Management has reassessed its business model and contract terms to assess the effects of applying the new standard on the Group's financial statements and has identified the following areas that will be affected:

  - Revenue from some pre-sale properties under development may be recognised over time in accordance with the input method for measurement instead of a point of time, if the Group has an enforceable right to payment from the customers for the performance completed to date.

  - The Group currently offers different payment schemes to customers, the transaction price and the amount of revenue for the sale of property will be adjusted when significant financial component exists in that contract.

  - The costs related directly to obtaining contracts with customer that it would not have incurred if the contracts had not been obtained, such as commission and stamp duty, will be eligible for capitalisation under HKFRS 15 and will be amortised on a systematic basis consistent with the pattern of the transfer of the properties to which the assets related.

  The Group intends to adopt the standard using the full retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 January 2017 with the comparative figures presented in the 2018 financial statements restated.

– HKFRS 16 will result in almost all leases being recognised on the consolidated statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

  The accounting for lessors will not significantly change.

  The standard will affect primarily the accounting for Group's operating leases. As at 31 December 2017, the Group has non-cancellable operating lease commitments of RMB11,094,000 (31 December 2016: RMB18,683,000).

There are no other HKFRSs or HK (IFRIC) interpretations that are not yet effective and would be expected to have a material impact on the Group.

4. OPERATING SEGMENT INFORMATION

The member of the Board of Directors ("Directors") is the Group's chief operating decision-maker. Management has determined the operating segments based on the information reviewed by the Directors for the purposes of allocating resources and assessing performance.

The Directors considers the business from a product perspective. Management separately considers the performance of property development, investment property development and operation. The segment of property development derive their revenue primarily from sale of completed properties. The segment of investment property development and operation derive their revenue primarily from rental income.

All other segments primarily relate to sale of merchandise inventories and others. These operations are excluded from the reportable operating segments, as these operations are not the key concern of the Directors. The results of these operations are included in the "All other segments".

The Directors assesses the performance of the operating segments based on a measure of operating profit. This measurement basis excludes the effects of non-recurring expenditure from the operating segments. Interest income and expenditure are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group. Other information provided to the Directors, except as noted below, is measured in a manner consistent with that in the financial statements.

Total segment assets exclude amounts due from related parties, cash and cash equivalents, restricted cash and deferred income tax assets, all of which are managed on a central basis. Total segment liabilities exclude amounts due to related parties, borrowings, guaranteed notes and deferred income tax liabilities, all of which are managed on a central basis as well. These are part of the reconciliation to total assets and liabilities of the consolidated statement of financial position.

Transactions between segments are carried out at arm's length. The revenue from external parties reported to the Directors is measured in a manner consistent with that in the consolidated statement of profit or loss.

	Property development *RMB'000*	Investment property development and operation *RMB'000*	All other segments *RMB'000*	Total *RMB'000*	Inter-company elimination *RMB'000*	Total *RMB'000*
Year ended 31 December 2017						
Total revenue	**236,339**	**224,368**	**51,149**	**511,856**	**–**	**511,856**
Inter-segment revenue	**–**	**(333)**	**–**	**(333)**	**–**	**(333)**
Revenue (from external customers)	**236,339**	**224,035**	**51,149**	**511,523**	**–**	**511,523**
Segment operating profit/ (losses)	**63,487**	**397,281**	**(98,040)**	**362,728**	**(170)**	**362,558**
Depreciation and amortisation *(Note 6)*	**(82)**	**–**	**(14,962)**	**(15,044)**	**–**	**(15,044)**
Income tax expense *(Note 8)*	**(23,272)**	**(129,815)**	**–**	**(153,087)**	**–**	**(153,087)**
Year ended 31 December 2016						
Total revenue	799,751	194,536	3,644	997,931	–	997,931
Inter-segment revenue	–	–	–	–	–	–
Revenue (from external customers)	799,751	194,536	3,644	997,931	–	997,931
Segment operating profit/ (losses)	67,657	443,944	(69,991)	441,610	–	441,610
Depreciation and amortisation *(Note 6)*	(54)	(22,495)	(11,102)	(33,651)	–	(33,651)
Income tax expense *(Note 8)*	(22,784)	(103,869)	(250)	(126,903)	–	(126,903)

	Property development *RMB'000*	Investment property development and operation *RMB'000*	All other segments *RMB'000*	Total *RMB'000*	Inter-company elimination *RMB'000*	Total *RMB'000*
As at 31 December 2017						
Total segment assets	2,347,467	8,168,124	470,213	10,985,804	(21,198)	10,964,606
Additions to non-current assets (other than financial instruments and deferred income tax assets)	49	1,931,559	89,245	2,020,853	–	2,020,853
Total segment liabilities	(636,134)	(1,279,634)	(39,801)	(1,955,569)	21,198	(1,934,371)
As at 31 December 2016						
Total segment assets	2,353,057	6,147,901	125,548	8,626,506	–	8,626,506
Additions to non-current assets (other than financial instruments and deferred income tax assets)	153	1,265,063	49,243	1,314,459	–	1,314,459
Total segment liabilities	(823,322)	(659,972)	(103,901)	(1,587,195)	–	(1,587,195)

A reconciliation of segment operating profit to profit before income tax is provided as follows:

	2017 ***RMB'000***	2016 *RMB'000*
Segment operating profit	**362,558**	441,610
Share of losses of investments accounted for using equity method	**(694)**	–
Interest income *(Note 5)*	**16,208**	8,648
Finance costs *(Note 7)*	**(111,676)**	(95,518)
Profit before income tax	**266,396**	354,740

Reportable and other segments' assets and liabilities are reconciled to total assets and liabilities as follows:

	As at 31 December	
	2017	2016
	RMB'000	*RMB'000*
Total segment assets	**10,964,606**	8,626,506
Cash and cash equivalents	**1,793,200**	1,910,587
Restricted cash	**58,110**	14,029
Deferred income tax assets	**17,829**	45,208
Amounts due from related parties *(note 11)*	**61,766**	–
Total assets per consolidated statement of financial position	**12,895,511**	10,596,330
Total segment liabilities	**(1,934,371)**	(1,587,195)
Borrowings	**(3,205,000)**	(1,620,000)
Guaranteed notes *(note 12)*	**(1,326,329)**	(1,323,957)
Amounts due to related parties	**(167,172)**	(16)
Deferred income tax liabilities	**(570,771)**	(488,103)
Total liabilities per consolidated statement of financial position	**(7,203,643)**	(5,019,271)

The Company is incorporated in Cayman Islands, with most of its major subsidiaries domiciled in the PRC. Revenues from external customers of the Group are mainly derived in the PRC for the years ended 31 December 2017 and 2016.

As at 31 December 2017, total non-current assets other than deferred income tax assets located in the PRC is RMB 8,170,352,000 (2016: RMB6,048,720,000), the total of these non-current assets located in Hong Kong is RMB10,000 (2016: RMB19,000).

For the years ended 31 December 2017 and 2016, the Group does not have any single customer with the transaction value over 10% of the total external sales.

5. REVENUE, OTHER GAINS AND INCOME

An analysis of revenue, other gains and income is as follows:

	2017	2016
	RMB'000	*RMB'000*
Revenue		
Sale of properties	**236,339**	799,751
Rental revenue of investment properties	**224,035**	194,536
Sale of goods	**51,149**	3,644
	511,523	997,931
Other gains – net		
Fair value gains on investment properties	**222,394**	431,581
Government repurchase of land use right (i)	**69,661**	–
Net foreign exchange (losses)/gains	**(30,759)**	16,366
Gains from disposal of a subsidiary	**13,123**	–
Others	**(3,730)**	848
	270,689	448,795
Other income		
Government grants (ii)	**121,516**	2,222
Bank interest income	**7,725**	8,648
Interests income from shareholder of an associate	**8,483**	–
Others	**5,164**	1,141
	142,888	12,011

(i) In 2017, Zhejiang Outlets Property Real Estate Co., Ltd. ("Zhejiang Outlets", a wholly-owned subsidiary of the Company) entered into an agreement with Huzhou Taihu Tourism Resort Management Committee (the "Management Committee", 湖州太湖旅遊度假區管委會), a local governmental organisation, pursuant to which the Management Committee agreed to repurchase a piece of land, which was previously granted to Zhejiang Outlets, with a cash consideration of RMB112,940,000. The difference between the consideration and the cost of the land is recognised in other gains.

(ii) In 2016, Jiangxi Capital Outlets Limited ("Jiangxi Capital", a wholly-owned subsidiary of the Company) received government grants amounting to RMB121,516,000 to compensate the cost of opening. In 2017 the outlets project held by Jiangxi Capital came into operation and the government grants were thereby qualified to be fully recognised in the consolidated statement of profit or loss as other income.

6. PROFIT BEFORE TAX

	2017	2016
	RMB'000	*RMB'000*
Cost of properties sold	**160,608**	672,595
Cost of goods sold	**38,644**	2,518
Operating leases expense	**10,806**	10,163
Depreciation and amortisation	**15,044**	33,651
Employee benefit expense	**98,503**	59,543
– Wages, salaries and staff welfare	**81,589**	50,237
– Pension scheme contributions	**6,440**	3,528
– Other allowance and benefits	**10,474**	5,778

7. FINANCE COSTS

	2017	2016
	RMB'000	*RMB'000*
Interest expense on bank borrowings	**73,915**	66,895
Interest expense on related parties borrowings	**22,704**	10,231
Interest expense on guaranteed notes	**70,995**	70,850
Less: interests capitalised	**(55,938)**	(52,458)
	111,676	95,518

For the year ended 31 December 2017, the capitalisation rate is 5.35% (year ended 31 December 2016: 5.42%), and the finance costs are mainly capitalised into investment properties and inventories.

8. INCOME TAX EXPENSE

Hong Kong corporate are mainly subject to Hong Kong profits tax rate of 16.5%. No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profit arising in Hong Kong during the year (year ended 31 December 2016: Nil).

PRC corporate income tax has been provided at the rate of 25% (year ended 31 December 2016: 25%) on the taxable profits of the Group's PRC subsidiaries during the year.

The implementation and settlement of PRC land appreciation tax ("LAT") varies among various tax jurisdictions in cities of the PRC. LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including land use rights, development and construction expenditure and other related expenditures.

The amount of income tax expense charged to the consolidated statement of profit or loss represents:

	2017	2016
	RMB'000	*RMB'000*
Current income tax:		
– PRC corporate income tax	**34,441**	40,650
– PRC land appreciation tax	**9,170**	6,274
Deferred income tax	**109,476**	79,979
Total tax charge for the year	**153,087**	126,903

9. DIVIDENDS

No dividend has been paid or declared by the Company during the year (year ended 31 December 2016: Nil).

10. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic and diluted earnings per share amount for the year ended 31 December 2017 is based on the profit for the year attributable to owners of the Company of RMB113,159,000 (year ended 31 December 2016: RMB227,273,000), the weighted average number of ordinary shares of 961,538,462 (year ended 31 December 2016: 206,259,220), the weighted average number of CPS of 1,072,928,106 (year ended 31 December 2016: 775,631,067) and the weighted average number of shares of 513,185,911 (31 December 2016: 4,217,966) into which the PCBS may be converted, in issue during the year.

The calculations of basic and diluted earnings per share are based on:

	2017	2016
	RMB'000	*RMB'000*
Earnings		
Profit attributable to owners of the Company used in the basic and diluted earnings per share calculation	**113,159**	227,273
	Shares	*Shares*
Weighted average number of ordinary shares	**961,538,462**	206,259,220
Weighted average number of CPS	**1,072,928,106**	775,631,067
Weighted average number of shares into which the PCBS may be converted	**513,185,911**	4,217,966
Weighted average number of shares for basic and diluted earnings per share	**2,547,652,479**	986,108,253

11. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	31 December 2017 *RMB'000*	31 December 2016 *RMB'000*
Trade receivables	**17,234**	3,014
Prepayments for land use rights and construction costs of investment properties	**–**	394,808
Prepayments for land use rights and construction costs of development properties	**–**	80,596
Prepayments to related parties	**2,275**	2,275
Prepayments of merchandise inventories	**35,832**	–
Other prepayments	**12,601**	75,846
Prepaid income tax and land appreciation tax	**88,072**	64,125
Prepaid other taxes	**158,805**	36,645
Deposits for land use rights	**–**	30,930
Other deposits	**31,918**	29,020
Amounts due from related parties	**61,766**	–
Receivables from government repurchase of land use rights	**78,515**	–
Other receivables	**68,273**	42,548
	555,291	759,807
less: non-current portion		
– prepayments for land use rights and construction costs of investment properties	**–**	(394,808)
Current portion	**555,291**	364,999

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

An ageing analysis of the Group's trade receivables as at the end of the reporting period, is as follows:

	31 December 2017 *RMB'000*	31 December 2016 *RMB'000*
Up to 3 months	**16,034**	3,014
3 to 6 months	**–**	–
Over 6 months	**1,200**	–
	17,234	3,014

Included in the trade receivables are trade receivables of RMB5,879,000 (31 December 2016: RMB1,200,000) due from related parties which are receivable within 1 year and represented credit terms similar to those offered to other major customers.

12. GUARANTEED NOTES

On 23 July 2015, Rosy Capital Global Limited ("Rosy"), a wholly-owned subsidiary of the Company, the Company and Capital Group entered into the subscription agreement with the Hong Kong and Shanghai Banking Corporation Limited, DBS Bank Ltd., ABCI Capital Limited, Bank of China (Hong Kong) Limited and China Construction Bank Corporation, Singapore Branch in connection with the proposed international offering of RMB1,300,000,000 guaranteed notes due in July 2018 at the rate of 5.25% per annum to be issued by Rosy (the "Notes"). The Notes carry interest at rate of 5.25% per annum, which is payable half-yearly in January and July. The issuance of the Notes has been completed on 30 July 2015 and the Notes have been listed for trading on the Stock Exchange of Hong Kong on 31 July 2015.

As at 31 December 2017, the Notes is classified as current liabilities as it will be due within 1 year (31 December 2016: classified as non-current liabilities).

	31 December 2017	31 December 2016
	RMB'000	*RMB'000*
Nominal value of guaranteed notes	**1,300,000**	1,300,000
Direct transaction costs	**(8,060)**	(8,060)
Interest expense	**171,262**	100,267
Interest paid	**(136,873)**	(68,250)
	1,326,329	1,323,957
Accrued interests for guaranteed notes, classified as other payables under current liabilities	**(28,064)**	(28,438)
	1,298,265	1,295,519

13. TRADE PAYABLES

An ageing analysis of the Group's trade payables as at the end of the reporting period, is as follows:

	31 December 2017	31 December 2016
	RMB'000	*RMB'000*
Within 1 year	**984,323**	1,008,826
1 to 2 years	**37**	–
	984,360	1,008,826

Included in the trade payables are trade payables of RMB637,000 (31 December 2016: RMB4,497,000) due to related parties which are repayable within 1 year and represented credit terms similar to those offered by the related party to other major customers.

The trade payables are non-interest-bearing and repayable within the normal operating cycle or on demand.

14. SHARE CAPITAL

	31 December 2017 *RMB'000*	31 December 2016 *RMB'000*
Authorised:		
Ordinary shares		
20,000,000,000 (31 December 2016: 20,000,000,000) ordinary shares of HK$0.01 each	**160,009**	160,009
Class A CPS		
738,130,482 (31 December 2016: 738,130,482) CPS of HK$0.01 each	**5,875**	5,875
Class B CPS		
905,951,470 (31 December 2016: 905,951,470) CPS of HK$0.01 each	**7,575**	7,575
	173,459	173,459
Issued and fully paid:		
Ordinary shares		
961,538,462 (31 December 2016: 961,538,462) ordinary shares of HK$0.01 each	**7,828**	7,828
Class A CPS		
166,976,636 (31 December 2016: 166,976,636) CPS of HK$0.01 each	**1,329**	1,329
Class B CPS		
905,951,470 (31 December 2016: 905,951,470) CPS of HK$0.01 each	**7,575**	7,575
	16,732	16,732

15. CPS

Class A CPS

The class A CPS with a par value HK$0.01 each were created as a new class of shares in the share capital of the Company on 22 January 2015. Upon the completion date of the business combination of Xi'an Capital Xin Kai Real Estate Ltd. on 22 January 2015, the Company issued 738,130,482 class A CPS (which are convertible into 738,130,482 ordinary shares of HK$0.01 each in the share capital of the Company at HK$2.66 each to be allotted and issued credited as fully paid by the Company upon the exercise of the conversion rights attaching to the class A CPS), resulting in credits to share capital of approximately RMB5,875,000 (equivalent to approximately HK$7,381,000) with par value of HK$0.01 each and share premium of RMB1,556,817,000 (equivalent to approximately HK$1,956,046,000) respectively.

Class B CPS

The class B CPS with a par value HK$0.01 each were created as a new class of shares in the share capital of the Company on 14 December 2016. Upon the completion date of the business combination of Beijing Chuangxin Jianye Real Estate Investment Ltd. and Zhejiang Outlets on 14 December 2016, the Company issued 905,951,470 class B CPS (which are convertible into 905,951,470 ordinary shares of HK$0.01 each in the share capital of the Company at HK$2.78 each to be allotted and issued credited as fully paid by the Company upon the exercise of the conversion rights attaching to the class B CPS), resulting in credits to share capital of approximately RMB7,575,000 (equivalent to approximately HK$9,060,000) with par value of HK$0.01 each and share premium of RMB2,098,232,000 (equivalent to approximately HK$2,509,485,000) respectively.

The above mentioned CPS shall be convertible at the option of its holder, without the payment of any additional consideration therefor, into such number of fully-paid ordinary shares at the conversion ratio of one CPS for one ordinary share. Holders of the CPS will have the right to convert all or such number of CPS into the new ordinary shares at any time after the issuance of the CPS, provided that they may not exercise the conversion rights as to such number of CPS the conversion of which would result in the Company not meeting the minimum public float requirement under Rule 8.08 of the Listing Rules. The CPS shall be non-redeemable by the Company or their holders.

Each class B CPS shall confer on its holder the right to receive a preferred distribution ("Preferred Distribution") from the date of the issue of class B CPS at a rate of 0.01% per annum on the issue price, payable annually in arrears. Each Preferred Distribution is non-cumulative, and the Company may, in its sole discretion, elect to defer or not to pay the Preferred Distribution.

Besides, each class A and class B CPS shall confer on the holder thereof the right to receive any dividend pari passu with holders of ordinary shares on the basis of the number of ordinary share(s) into which each CPS may be converted on an as converted basis.

16. PCBS

On 28 December 2016, the Company issued PCBS in the principal amounts of HK$657,594,260 to Smart Win and in the principal amounts of HK$420,096,153 to KKR respectively, resulting in credits to PCBS of RMB945,197,000 after deducting the direct professional fee of RMB22,817,000.

The PCBS has no fixed maturity, and can be redeemed by the Company at any time after 30 years from the issuance date, in its sole and absolute discretion. The PCBS shall be convertible at the option of its holders, at the initial conversion price of HK$2.10 per share, into a maximum of 513,185,911 new ordinary shares, provided that the holders of PCBS may not exercise the conversion rights whenever the conversion would result in the Company not meeting the minimum public float requirement under Rule 8.08 of the Listing Rules.

The holder(s) of the PCBS are entitled to receive interest on the outstanding principal amount of the PCBS at a rate equal to 0.01% per annum on a non-cumulative basis, of which the Company shall have the right, exercisable in its sole discretion, to elect to defer the payment, with no interest accrued thereon. The Company cannot pay any dividends, distributions or make any other payment on any ordinary shares, class A CPS and class B CPS or other share capital of the Company unless at the same time it pays to the holders of the PCBS any deferred or unpaid interest payment. In the event that any dividend or distribution is paid on the ordinary shares, CPS (save and except for Preferred Distributions to be paid on the class B CPS at a rate which shall not exceed the rate of interest) or other share capital of the Company, the Company shall pay additional variable interest to the holders of the PCBS representing such dividend or distribution so paid in an aggregate amount equal to (a) the amount of such dividend or distribution per share multiplied by (b) the number of ordinary shares into which the PCBS may be converted, in the same form and on the same date.

As at 31 December 2017, the Group has accrued interest amounting to RMB92,000.

17. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	31 December 2017 *RMB'000*	31 December 2016 *RMB'000*
Contracted, but not provided for:		
Properties under development	**265,023**	178,535
Investment properties	**203,920**	663,646
Investment in Changsha Joy City Investment Co., Ltd.	**–**	44,034
	468,943	886,215

18. FINANCIAL GUARANTEES

The Group had the following financial guarantees as at the end of the reporting period:

	31 December 2017 *RMB'000*	31 December 2016 *RMB'000*
Mortgage facilities for certain purchasers of the Group's properties	**1,397,714**	1,397,075

As at 31 December 2017, the Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default on mortgage repayments by these purchasers before the expiry of the guarantees, the Group is responsible for repaying the outstanding mortgage principals together with the accrued interests and penalties owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends when the property purchasers obtain the "property title certificate" which is then pledged with the banks.

PRELIMINARY ANNOUNCEMENT OF ANNUAL RESULTS

The figures in respect of this preliminary announcement of the Group's results for the year ended 31 December 2017 have been agreed upon by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this preliminary results announcement.

FINAL DIVIDEND

The Directors do not recommend the payment of a final dividend for the year (year ended 31 December 2016: Nil).

ANNUAL GENERAL MEETING

The annual general meeting ("AGM") of the Company will be held on or about 12 April 2018 and the notice of 2017 AGM will be published and despatched in the manner as required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") in due course.

MANAGEMENT DISCUSSION AND ANALYSIS

Market Review of Outlets

In 2017, the economy in China has maintained the momentum of stable and sound development and demands for consumption continued to be the major driving force for economic growth. The sales of 2,700 typical retail enterprises under the key monitoring of the Ministry of Commerce in 2017 raised by 4.6% year on year, representing an increase of 3 percentage points as compared with the same period last year. The operating profits and total profits increased by 8.0% and 7.1% respectively, representing the growth of 6.5 and 11 percentage points as compared with the same period last year. The physical retail market was further stable and picked up.

In 2017, the domestic outlet industry maintained a rapid growth, but the trend of polarization was obvious. From the outlets operators' frequently strategic deployment at the beginning to seize market share, to exploring the differentiated competition mode and building their own brands, the polymerization effect of brands under the group chain operation became prominent. The polarizations of both business mode and competition landscape were also getting clearer. According to the latest statistics from the industry think tank, 46 outlets projects of various types were newly opened in China in 2017, of which 27 projects were operated by the chain outlets groups, accounting for 60%. With a customer-centric approach, industry leaders were venturing to provide customers with a more pleasant and convenient shopping experience throughout the entire consumption process by integrating physical stores, online malls, mobile applications, mobile payment and social media to create an excellent operation capacity for customer management. Meanwhile, some outlets operators speeded up the pace of diversification and cross-format transformation and upgrades in order to cultivate the operation capability for merchandise. With the constant induction of cross-segment portfolios such as "Outlets + Major Experience" and "Outlets + Micro tourism", "Outlets + Sports", multi-format operation has gradually become the dominant business mode, providing consumers with an improved and refined experience at their outlets and staying ahead of changes in consumers' lifestyle.

Business Review

Continued strategic acquisition of new project and successfully-launched new outlets malls reflected accomplishments in systematic replication and expansion

– During the period, the Group newly expanded projects in Chongqing and Kunming, bringing the total outlets projects owned and managed by it to 14, further strengthening its competitive edge of leadership on industry scale;

– On 11 November, Hangzhou Capital Outlets was grandly opened with a visitor traffic of more than 90,000 on that day and a sales of RMB12.93 million, creating a new record for the opening day sales of the Capital Outlets. In addition, Hangzhou Capital Outlets is the first project with the land obtained, designed, built and finally leased out all by the Company team upon business restructuring marking the official commence of Capital Outlets 2.0 version;

– On 1 December, Nanchang Capital Outlets was grandly opened. In the first three days, the visitor traffic reached nearly 180,000 and the sales achieved RMB21.80 million, which marked Capital Outlets's strong entry into the market in Central Region of China. Meanwhile, Nanchang project was the Company's second project opened in 2017 following Hangzhou Capital Outlets. The time interval of the two projects was less than three weeks, demonstrating both the competitive advantage of the Company in group operation and chain business and the capability of systematic replication and expansion;

– During the period, the Group kept promoting the construction of project development, business preparation and standardization of start-up procedures, upgrading brand levels, optimizing category structure, continuing expansion of brand portfolios and enhancing the management capability of asset operation. The Group also initiated the preliminary study and preparation for the launch of REITs products, so as to achieve the business closed-loop development of "investment, financing, operation, exit" and establish a sustainable platform of capital rotation to complete the transformation and upgrade the business model from "heavy" asset to "light" asset.

Delivering steady growth in operating results through the pursuit of operational excellence

– During the period, the six outlets projects in operation achieved a turnover of approximately RMB3.24 billion, representing a year-on-year growth of 35%; and the annual customer traffic was over 25.4 million, representing a year-on-year growth of 34%, indicating a steady growth in the operating results;

– During the period, the Group has fully utilized the advantages arising from its chain development of multiple projects across the country, continued to expand new brands that could enter into outlets field, and created brand highlights in each category. In the meantime, the Group has deeply diving into local premium resources of projects in respective regions to build multiple supplier channels, practically establish strategic alliance with more premium brands, thereby promoting brand partnership for multiple projects. The Group has made full use of the leverage effect from advantage projects to help attract desired brands to under-construction projects, and bring in additional brands for projects under development, with a view to gradually taking advantage of its group development;

– During the period, the Group promoted digitalized works from three aspects: the customers, the goods and the supply chain, to enhance operation efficiency, which preliminarily established group control, chain development, all-segment coverage, and big data closed-loop management of the whole life cycle. The front desk captured the opportunity of accumulating customers and members as well as the data of transaction demands for the brand merchants, while the back office formulated a comprehensive data management system consisting of resources, business, contracts and financial matters. Through real-time supervision, cross analysis and prompt reaction to enhance operation and explore value as well as big data analysis application to reach the customers precisely, a differentiated comprehensive consumer experience of Capital Outlets was enhanced.

Reshape of "customers"+ "goods"+ "mall", actively promoting the upgrade of the business format

– Multi-channel development by full integration of online and offline

By launching WeChat store 鉅MAX, our e-commerce platform for Capital Outlets, we have extended our interaction with consumers to a 24/7 basis. From 26 October to 26 November, the WeChat store launched an event "Double 11 is coming to Outlets (雙11萊了)". The sales throughout the first day was approximately RMB12million, hitting the selling record of online store of 鉅MAX, and the accumulated sales during the event reached to RMB22.8million. As our online sales and offline stores created synergies through shared advantages, meanwhile 鉅MAX online store opened its offline experience store in Fangshan, Beijing in late October, starting up the first O2O experience store with outlets format in China.

– Reshape of "Goods"

In order to continue to promote the operation capability for merchandise, we have introduced a number of coveted brands to our projects through proprietary business, providing the Company with potent assistance in its business expansion. During the period, the Group set up a number of Chic Outlets Multi Brands Boutiques. In addition to contributing stronger sales, we have also effectively developed skills in single item management, creating favorable conditions for the next stage of our advancement where we would form "deepened joint operations" with brand owners.

– Reshape of "Mall"

Experiential consumption was fully promoted, and we have introduced Jump 360 – a trampoline-based ride to several stores. By breaking homogeneous competition within the industry, and fully explore the potential of experiential consumption, teenagers and children can experience the joy of indoor trampolining, providing a perfect venue for relaxation and parent-child interaction. Through the creation of a unique way of consumption of "Outlet + Major Experiment" at Capital Outlets, we have managed to increase patronage, improve customer retention, and raise their repeat purchase rate.

Continuously increasing the brand influence of "Capital Outlets"

– During the period, the Group was awarded the "2017 Influential Commercial Property Brand in China" by the authoritative media of the Chinese real estate industry, Guandian Property (觀點地產), and the Group ranked 20th on the Top 100 List of Chinese Commercial Property Operators. Being ranked the highest on the list among the Outlets integrated operators, the Group demonstrated its leading position in the industry once again;

– The Group was invited to participate in the seminar of the MAPIC2017, an International retail and commercial property show. The Group also held the "Capital Grand Special Exchanges" and had extensive interaction with about 40 core representatives from international brands, renowned investors as well as leading commercial enterprises, which indicated the determination of the Group's further connection and consolidation of global business resources;

– We took "ACT AS ONE" Capital Outlets Brand Owners Ceremony 2017 as a window to further promote the influence of "Capital Outlets" among brand owners with over 400 representatives of brand owners attended the ceremony;

– Wanning Capital Outlets won the "Golden Lily Award for Best Outlets Shopping Center" issued by the CCFA;

– Capital Outlets in Beijing launched a themed promotion event where the store remained open for 36 consecutive hours and offered gifts valued over RMB1 million in celebration of its anniversary on 1 May. The event attracted more than 1.2 million visitors within and outside Beijing in 3 days, achieving the sales of RMB53 million (a year-on-year increase of 95%); and it also launched a large scale promotion event where the store remained open for 60 consecutive hours in celebration of the National Day from 1 October to 3 October, reaching the total sales of RMB60.21million, of which the sales on 2 October amounted to RMB22.18million, achieving a new record in single-day sales since the commencement.

Financial Review

1. *Revenue and Operating Results*

   In 2017, the revenue of the Group was approximately RMB511,523,000 (2016: RMB997,931,000), representing a decrease of 49% as compare with that of 2016. The decrease in revenue was mainly attributable to the entry of Xi'an First City into the stage of the sales of its remaining units, and the decrease in the gross floor area delivered.

   In 2017, the Group achieved a gross profit margin of approximately 44%, representing an increase of 23 percentage points from 21% in 2016. The increase in gross profit margin was mainly attributable to the growth in operating revenue of investment properties during the period which yield higher gross profit than sales of development properties.

   In 2017, operating profit of the Group was approximately RMB378,766,000 (2016: RMB450,258,000), representing a decrease of 16% as compare to that of 2016. The decrease was mainly attributable to the decline in the fair value gain on investment properties as a result of a moderate growth in real estate market of selected cities in PRC. As the fair value gain on the Group's investment properties were non-cash in nature and the decrease in such gain does not have a direct impact on the cash flow, the decrease does not indicate any major changes in the Group's overall operating position.

   In 2017, profit for the period of the Group was approximately RMB113,309,000 (2016: RMB227,837,000), representing a decrease of 50% as compare to that of 2016. The decrease was mainly attributable to the decline in operating profit.

2. *Liquidity and Financial Resources*

   The Group's liquidity remained on a healthy level and financial resources were also reasonably distributed. As at 31 December 2017, the Group's cash and cash equivalents and restricted cash totaled RMB1,851,310,000 (31 December 2016: approximately RMB1,924,616,000), of which approximately RMB1,834,881,000 (31 December 2016: RMB713,925,000), approximately RMB16,429,000 (31 December 2016: approximately RMB996,908,000) and approximately RMBNil (31 December 2016: RMB213,783,000) were denominated in RMB, Hong Kong dollars ("HK$") and US dollars ("US$"), respectively. The majority of the Group's cash and cash equivalents and restricted cash are deposited with creditworthy banks with no recent history of default.

   As at 31 December 2017, the Group's current ratio was 1.15 (31 December 2016: 1.82).

   As at 31 December 2017, the Group's net gearing ratio was 47% (31 December 2016: 18%), based on the division of net debt by total equity. Net debt includes total bank and other borrowings and guaranteed notes (including the current portion and the non-current portion), less cash and cash equivalents and restricted cash. The change of net gearing ratio was primarily due to increase of borrowing in 2017.

3. *Changes in Major Subsidiaries, Principal Jointly Controlled Entities and Associates*

Chongqing Shouju Outlets Real Estate Co., Ltd (重慶首鉅奧特萊斯置業有限公司), a subsidiary of the Group, was established in January 2017, and 100% of its net assets was held by the Group.

Kunming Capital Outlets Business Operation Management Limited (昆明首創奧萊商業運營管理有限公司), a subsidiary of the Group, was established in May 2017, and 85% of its net assets was held by the Group.

During the year, as other investors increased their investments in Nanchang Huachuang Xinghong Real Estate Ltd. (南昌華創興洪置業有限公司) ("Nanchang Huachuang"), an original subsidiary of the Group, the net assets of Nanchang Huachuang held by the Group reduced from 100% to 40%. Nanchang Huachuang became an associate of the Group.

4. *Borrowings and Guaranteed Notes*

As at 31 December 2017, the Group's borrowings from banks and related parties were approximately RMB3,205,000,000 (31 December 2016: approximately RMB1,620,000,000). The bank borrowings were secured by the land use rights and the buildings of investment property, and/or guaranteed by the Company or Beijing Capital Land Ltd. ("BCL").

As at 31 December 2017, the amortized cost of the Group's guaranteed notes (the "Notes") was approximately RMB1,326,329,000 (31 December 2016: RMB1,323,957,000), including current portion amounting to RMB1,326,329,000 (31 December 2016: RMB28,438,000), and non-current portion amounting to RMBNil (31 December 2016: RMB1,295,519,000). The guaranteed notes with a face value of RMB1,300,000,000 due 2018 at the nominal interest rate of 5.25% per annum was listed for trading on the Stock Exchange of Hong Kong Limited on 31 July 2015. The details of the Notes were set out in the announcements dated 20, 24 and 30 July 2015.

5. *Share Capital and Other Equity Instruments*

On 14 December 2016, the Company issued 905,951,470 class B CPS to BECL for funding the partial consideration of the acquisition of Beijing Chuangxin Jianye Real Estate Investment Ltd. and Zhejiang Outlets Property Real Estate Co., Ltd..

On 28 December 2016, the Company issued 95,192,308 ordinary shares to Smart Win and to KKR respectively, at the issue price of HK$2.10 per share. On the same day, BECL exercised its conversion rights and converted an aggregate of 571,153,846 class A CPS in accordance with the terms and conditions of the relevant subscription agreements entered into by the Company and the subscribers.

On 28 December 2016, the Company issued perpetual convertible bond securities (the "PCBS") in the principal amounts of HK$657,594,260 and HK$420,096,153 (which are convertible into 313,140,124 and 200,045,787 conversion shares at the initial conversion price of HK$2.10 per conversion share, subject to customary adjustments) to Smart Win and KKR respectively.

6. *Foreign Exchange Exposure*

Major subsidiaries of the Company operate in the PRC and most of the transactions are denominated in RMB. As certain of the Group's monetary assets and liabilities are denominated in HK$ and US$, any significant exchange rate fluctuations of HK$ and US$ against RMB may have financial impacts on the Group. Currently, the Group does not use any derivative financial instruments. Nevertheless, the Group will review the risks from time to time and take response measures if necessary.

7. *Financial Guarantees*

As at 31 December 2017, the Group provided guarantees in respect of mortgage financing granted by certain banks to purchasers of properties, amounting to approximately RMB1,397,714,000 (31 December 2016: RMB1,397,075,000).

8. *Capital Commitments*

As at 31 December 2017, the Group had capital commitments relating to the development properties under construction of approximately RMB265,023,000 (as at 31 December 2016: RMB178,535,000), and had capital commitments relating to the investment properties under construction of approximately RMB203,920,000 (as at 31 December 2016: RMB663,646,000).

As at 31 December 2017, the Group had no capital commitments relating to the committed investment to Changsha Capital Outlets Joyous Sky Avenue project (as at 31 December 2016: RMB44,034,000).

HUMAN RESOURCES

As of 31 December 2017, the Group had 832 employees (as of 31 December 2016: 498). The remuneration policy and package of the Group's employees are structured in accordance to market condition, performance, education background and experience of individual employees as well as statutory requirements where appropriate. In addition, the Group also provides other staff benefits such as pension scheme, medical insurance scheme, unemployment insurance scheme, housing provident fund and share options to motivate and reward employees at all levels to achieve the Group's business performance targets.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2017, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The audit committee of the Company, comprising Dr. Ngai Wai Fung as chairman as well as Ms. Zhao Yuhong and Mr. He Xiaofeng as members, has reviewed, together with the participation of the management, the accounting principles and practices adopted by the Group and discussed the auditing and financial reporting matters including the review of the audited financial statements of the Group for the year ended 31 December 2017.

COMPLIANCE WITH THE CORPORATE GOVERNANCE PRACTICE AND CODE

The Company is committed to the establishment of good governance practices and procedures. During the review period ended 31 December 2017, the Company has complied with the requirements under the code provisions of the recommended best practices set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") contained in Appendix 14 to the Listing Rules and the continuing obligations requirements of a listed issuer pursuant to the Listing Rules.

BOARD COMPOSITION

As at the date of this announcement, Mr. Zhong Beichen is the chairman of the Board and executive director; Mr. Feng Yujian is the chief executive officer and executive director; Mr. Sun Shaolin, Mr. Su Jian, Mr. Wang Honghui and Mr. Yang, Paul Chunyao are the non-executive directors and Dr. Ngai Wai Fung, Ms. Zhao Yuhong and Mr. He Xiaofeng are the independent non-executive directors.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This results announcement is published on the websites of the Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.bcgrand.com). The annual report of the Company for the year ended 31 December 2017 containing all information required by the Listing Rules will be despatched to the Company's shareholders and available on the above websites in due course.

By Order of the Board
Beijing Capital Grand Limited
Lee Sze Wai
Company Secretary

Hong Kong, 26 February 2018

As at the date of this announcement, the Board comprises Mr. Zhong Beichen (Chairman) and Mr. Feng Yujian (Chief Executive Officer) as executive Directors; Mr. Sun Shaolin, Mr. Su Jian, Mr. Wang Honghui and Mr. Yang, Paul Chunyao as non-executive Directors; and Dr. Ngai Wai Fung, Ms. Zhao Yuhong and Mr. He Xiaofeng as independent non-executive Directors.