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CAPITAL GRAND

BEIJING CAPITAL GRAND LIMITED

首創鉅大有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1329)

PROFIT WARNING

This announcement is made by Beijing Capital Grand Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that based on the information currently available and preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2022 (the “**Reporting Period**”), the Group is expected to record a net loss attributable to owners of the Company of not more than approximately RMB116.2 million, representing an increase as compared to the net loss attributable to owners of the Company of approximately RMB19.8 million for the six months ended 30 June 2021, which are mainly attributable to: (i) the fact that in the first half of 2022, especially since March, a number of stores of outlets operated by the Group (the “**Outlets**”) in Beijing, Kunshan, Hangzhou, Nanchang, Zhengzhou, Jinan, Xi’an and Qingdao were put on lockdown or closed, and, in particular, the operations of the Beijing Outlets was suspended twice, which had a significant impact on the sales of the Group’s Outlets in the first half of the year, and that the income available from the sale of properties also decreased in the first half of this year due to the unfavourable market conditions and the outbreak of the Covid-19 pandemic, which resulted in a decrease of approximately 19% in the aggregate revenue from the Group’s rental income from investment properties, income from the sale of properties and income from the sale of goods as compared to the corresponding period of the previous year; (ii) a decrease of approximately 54% in the aggregate from the fair value gain from the Group’s investment properties and other net income as compared to the same period of the previous year as the Group has been cautious in valuing its investment properties in light of the current environment. In addition, whilst ensuring the safety and measures on pandemic control, the Group strengthened the level of refined management, reduced expenses and increased efficiency, which resulted in reduction in cost of sales, selling and marketing expenses and administrative expenses of approximately 18% in aggregate as compared to the corresponding period. Approaching June, with the gradual easing of the Covid-19 pandemic outbreak nationwide, the customer flow and sales of the Group’s Outlets started to rebound.

The Company is in the process of preparing the interim results of the Group for the six months ended 30 June 2022. Information contained in this announcement is only based on the information currently available to the Board and a preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group, and is not based on figures or information reviewed by the Company's auditors. Shareholders and potential investors of the Company are advised to refer to the Company's interim results announcement for the Reporting Period which is expected to be published in due course pursuant to the requirements of the Listing Rules.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Beijing Capital Grand Limited
Peng Sisi
Company Secretary

Hong Kong, 15 August 2022

As at the date of this announcement, the Board comprises Mr. Fan Shubin (Chairman) and Mr. Feng Yujian (Chief Executive Officer) as executive directors; Mr. Wang Hao, Ms. Qin Yi, Mr. Zhou Yue and Mr. Zhao Randolph as non-executive directors; and Dr. Ngai Wai Fung, Ms. Zhao Yuhong and Mr. He Xiaofeng as independent non-executive directors.