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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 year ended 31 December 2022 (the “**Reporting Period**”), the Group is expected to record a net loss attributable to owners of the Company of approximately RMB395 million, representing a significant decline in results performance as compared to the net loss attributable to owners of the Company of approximately RMB224 million for the year ended 31 December 2021, which is mainly attributable to: (i) the impact of the Covid-19 pandemic in 2022 was far greater than that of the previous year in terms of scope and duration, especially where 10 of the Group’s 15 outlets operated by the Group (the “**Outlets**”) were closed temporarily. In particular, the Outlets in Beijing, Kunshan, Zhengzhou, Nanchang and Qingdao were closed for more than 40 days, which had a severe impact on the visitor flow and sales of the Group’s Outlets and the traditional sales cycle of the Outlets has been disrupted repeatedly. The Covid-19 pandemic and the slow market environment have also led to a decrease in the income available from the sale of properties, resulting in a decrease of approximately 15% in the Group’s total income from rental of investment properties, sales of properties and sales of goods as compared with the corresponding period of the previous year; (ii) other income decreased by approximately 55% as compared with the corresponding period of the previous year, mainly due to (a) the cautious approach adopted by the Group in the current circumstances for the value assessment of its investment properties and the gain on fair value of the Group’s investment properties decreased as compared with the corresponding period of previous year; (b) exchange rate fluctuations contributing to the cross-currency interest rate swap agreements entered into by the Group had a decrease in exchange gain or loss as a result of the reversal of the previous year’s exchange gain; and (c) the government subsidies received by the Group decreased as compared with the same period of last year due to the different progress of construction and commencement of operations for the Outlets.

In 2022, the Group proactively adopted measures to soften the adverse impact of the epidemic. Whilst implementing safety measures for the Covid-19 pandemic, all staff have made unremitting efforts to continuously improve management efficiency, control cost and enhance efficiency, strengthen visitor flow and refined membership operation and optimize costs and fees, ensuring the stable operation of its Outlets. Meanwhile, the Group fulfilled its social responsibility by insisting on working together with the tenants to overcome the difficulties, stepped up efforts to assist operations, and boosted the cooperation and confidence of the tenants with a total rent reduction of approximately RMB35 million.

In the last month of 2022, with the prevention of COVID-19 pandemic entering a new stage, the domestic retail industry has seen recovery. The Group, as one of the leading enterprises in outlets industry, will firmly grasp the opportunities with the intention to grow domestic demand and boosting consumption, and enhance the exclusive features known as “Brand, Discount and Experience” of the Outlets, with an aim to strive to convert policy benefits into driving forces to facilitate the performance growth and long-term development of the Company.

The Company is in the process of preparing the annual results of the Group for the year ended 31 December 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 audited or reviewed by the Company’s auditor. Shareholders and potential investors of the Company are advised to refer to the Company’s annual results announcement for the Reporting Period which is expected to be published by the Company before the end of March 2023.

**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, 3 March 2023

*As at the date of this announcement, the Board comprises Mr. Fan Shubin (Chairman) and Mr. Xu Jian (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.*