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**BEIJING CAPITAL GRAND LIMITED**

**首創鉅大有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1329)**

**CONTINUING CONNECTED TRANSACTION**

**RELATING TO THE PAYMENT OF THE GUARANTEE FEE  
PURSUANT TO THE ENTRUSTMENT GUARANTEE AGREEMENT**

**THE PAYMENT OF THE GUARANTEE FEE PURSUANT TO THE ENTRUSTMENT  
GUARANTEE AGREEMENT**

On 2 August 2024, Hefei Chuangju (an indirect wholly-owned subsidiary of the Company) and BCCDG entered into the Entrustment Guarantee Agreement in relation to the joint liability guarantee provided by BCCDG in favor of Industrial Bank for the Loan granted by Industrial Bank to Hefei Chuangju as stipulated under the Guarantee Agreement and in return, Hefei Chuangju shall pay a guarantee fee to BCCDG calculated based on 1% per annum of the total principal amount of the guarantee liability assumed by BCCDG under the Entrustment Guarantee Agreement.

**LISTING RULES IMPLICATIONS**

As at the date of this announcement, BCCDG is a controlling shareholder of the Company, and therefore BCCDG is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the payment of the guarantee fee to BCCDG by Hefei Chuangju under the Entrustment Guarantee Agreement constitutes continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Annual Caps for payment of the guarantee fee to BCCDG by Hefei Chuangju exceed 0.1% but are all less than 5%, such transaction is subject to the reporting, annual review and announcement requirements but exempted from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **BACKGROUND**

On 2 August 2024, Hefei Chuangju (an indirect wholly-owned subsidiary of the Company) and BCCDG entered into the Entrustment Guarantee Agreement in relation to the joint liability guarantee provided by BCCDG in favor of Industrial Bank for the Loan granted by Industrial Bank to Hefei Chuangju as stipulated under the Guarantee Agreement and in return, Hefei Chuangju shall pay a guarantee fee to BCCDG calculated based on 1% per annum of the total principal amount of the guarantee liability assumed by BCCDG under the Entrustment Guarantee Agreement.

## **THE ENTRUSTMENT GUARANTEE AGREEMENT**

The principal terms of the Entrustment Guarantee Agreement are set out below:

|                    |                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date:              | 2 August 2024                                                                                                                                                                                                                                                                                                                                                                                                             |
| Parties:           | (a) BCCDG as the guarantor; and<br><br>(b) Hefei Chuangju as the entrusted guarantor                                                                                                                                                                                                                                                                                                                                      |
| Guarantee purpose: | In respect of the covenant between Hefei Chuangju as borrower and Industrial Bank as lender under the loan agreement for the Loan, BCCDG will provide joint liability guarantee in favor of Industrial Bank for the repayment of the principal and the payment of interests of the Loan under the Guarantee Agreement.                                                                                                    |
| Term:              | A term of three years commencing from the 2 August 2024 to 1 August 2027 (both days inclusive)                                                                                                                                                                                                                                                                                                                            |
| Guarantee fee:     | The guarantee fee is calculated based on 1% per annum of the balance of the actual total principal amount drawn down by Hefei Chuangju as borrowings under the Loan and deducting the amount repaid by Hefei Chuangju (the maximum amount that Hefei Chuangju may draw down as borrowings under the Loan is RMB450,000,000).                                                                                              |
| Payment method:    | The guarantee fee will be paid on an annual basis and calculated based on the number of days involved; the first annual guarantee fee shall be paid within 10 days from the date of release of funds from the Loan; subsequent guarantee fees shall be paid every complete year thereafter; and the last payment of the guarantee fee shall be made immediately following the repayment of all borrowings under the Loan. |

## ANNUAL CAPS UNDER THE ENTRUSTMENT GUARANTEE AGREEMENT

The Group and BCCDG did not have any historical transactions in respect of Provision of Guarantee in favour of Industrial Bank and related payment of guarantee fee in the past 12 months.

The Annual Caps is based on the maximum guarantee fee payable by Hefei Chuangju under the Entrustment Guarantee Agreement and should be calculated as follows:

|                                                                    | For the period<br>from 2 August<br>2024 to<br>31 December<br>2024<br>RMB'000 | For the year<br>ending<br>31 December<br>2025<br>RMB'000 | For the year<br>ending<br>31 December<br>2026<br>RMB'000 | For the period<br>from 1 January<br>2027 to<br>1 August<br>2027<br>RMB'000 |
|--------------------------------------------------------------------|------------------------------------------------------------------------------|----------------------------------------------------------|----------------------------------------------------------|----------------------------------------------------------------------------|
| Maximum guarantee fee under the<br>Entrustment Guarantee Agreement | 2,000                                                                        | 4,500                                                    | 4,500                                                    | 2,600                                                                      |

The maximum guarantee fee is calculated by multiplying the fee rate of 1% per annum by the maximum aggregate principal amount of RMB450,000,000 of the guarantee liability assumed by BCCDG as stipulated under the Entrustment Guarantee Agreement, and calculated based on the number of days involved.

In determining the proposed Annual Caps, the Company has considered the following factors:

- (a) In the past, the Group has engaged in other entrustment guarantee agreements with BCCDG with entrustment guarantee fee rate (the “**Fee Rate**”) of 0.7% charged by BCCDG. However, commencing from October 2023, BCCDG has implemented a new guarantee policy (the “**New Policy**”), which has increased the Fee Rate for its services in providing joint liability guarantee to its subsidiaries with range between 1% to 2% (the “**Fee Rate Level**”); and
- (b) For the Entrustment Guarantee Agreement, BCCDG has offered the lowest Fee Rate Level under the New Policy (i.e., 1% Fee Rate). Although the 1% Fee Rate charged by BCCDG under Entrustment Guarantee Agreement is higher than similar services provided by BCCDG to the Company in the past, it is still better than the Fee Rate of comparable entrustment guarantee agreements in the market.

Based on the above factors, the Directors consider that the Annual Caps are fair and reasonable.

## REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE ENTRUSTMENT GUARANTEE AGREEMENT

The Board considers that the joint liability guarantee provided by BCCDG in favor of Industrial Bank will facilitate Hefei Chuangju in obtaining the Loan from Industrial Bank and the Loan will improve the working capital of the Group. The terms of the Entrustment Guarantee Agreement are determined

based on arm's length negotiation among the parties. The Board (including the independent non-executive Directors, with the exception of Mr. Fan Shubin, Mr. Xie Hongyi and Ms. Qin Yi for the reasons set out below), considers that the Entrustment Guarantee Agreement was entered into in the ordinary and usual course of business of the Group and that the Entrustment Guarantee Agreement and the transactions contemplated thereunder are on normal or better commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

As Mr. Fan Shubin (the Chairman of the Board and an executive Director of the Company) also serves as an executive director and the general manager of BCCDG, Mr. Xie Hongyi (the Chief Executive Officer and an executive Director of the Company) also serves as the deputy general manager of BCCDG, and Ms. Qin Yi (a non-executive Director of the Company) also serves as a non-executive director of BCCDG, they have abstained from voting on the Board resolution(s) in relation to the Entrustment Guarantee Agreement. Save as the aforesaid, none of the Directors has a material interest in the transactions contemplated under the Entrustment Guarantee Agreement which required them to abstain from voting on the Board resolution(s) to approve the same.

## **INFORMATION OF THE PARTIES**

### **Hefei Chuangju**

Hefei Chuangju is a company established under the laws of the PRC with limited liability and is a wholly-owned subsidiary of the Company. It is principally engaged in holding and management of Hefei Capital Outlets.

### **BCCDG**

BCCDG is a company incorporated under the laws of the PRC with limited liability and is a wholly-owned subsidiary of Capital Group. It is a large-scale industrial group specialising in urban development business.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, BCCDG is a controlling shareholder of the Company, and therefore BCCDG is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the payment of the guarantee fee to BCCDG by Hefei Chuangju under the Entrustment Guarantee Agreement constitutes continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Annual Caps for payment of the guarantee fee to BCCDG by Hefei Chuangju exceed 0.1% but are all less than 5%, such transaction is subject to the reporting, annual review and announcement requirements but exempted from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

|                                   |                                                                                                                                                                                                                 |
|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Annual Caps”                     | the annual caps based on the maximum amount of the guarantee fee payable by Hefei Chuangju to BCCDG under the Entrustment Guarantee Agreement for the relevant periods                                          |
| “BCCDG”                           | Beijing Capital City Development Group Co., Ltd.* (北京首創城市發展集團有限公司), a company incorporated in the PRC with limited liability and a controlling shareholder of the Company and a connected person of the Company |
| “Board”                           | the board of Directors                                                                                                                                                                                          |
| “Capital Group”                   | Beijing Capital Group Co., Ltd (北京首都創業集團有限公司), a state-owned enterprise incorporated in the PRC on 26 October 1994 and under the direct supervision of the Beijing Municipal Government                         |
| “Company”                         | Beijing Capital Grand Limited (首創鉅大有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1329)        |
| “Director(s)”                     | the director(s) of the Company                                                                                                                                                                                  |
| “Entrustment Guarantee Agreement” | the entrustment guarantee agreement entered into between Hefei Chuangju and BCCDG on 2 August 2024 in relation to the Provision of Guarantee by BCCDG and payment of guarantee fee by Hefei Chuangju to BCCDG   |
| “Group”                           | the Company and its subsidiaries                                                                                                                                                                                |
| “Guarantee Agreement”             | the guarantee agreement entered into between BCCDG and Industrial Bank on 2 August 2024 in relation to the Provision of Guarantee                                                                               |
| “Hefei Chuangju”                  | Hefei Chuangju Outlets Commercial Management Limited* (合肥創鉅奧萊商業管理有限公司), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company           |
| “Hefei Capital Outlets”           | Hefei Capital Outlets (合肥奧特萊斯項目), being the properties located in No. 258, Zhujiang Road, Binhu District of Hefei, with a total site area of approximately 87,910 square meters                                 |

|                          |                                                                                                                                                                                                                                        |
|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Hong Kong”              | the Hong Kong Special Administrative Region of the PRC                                                                                                                                                                                 |
| “Industrial Bank”        | Industrial Bank Co., Ltd Fei Dong Branch (興業銀行股份有限公司肥東支行)                                                                                                                                                                              |
| “Listing Rules”          | the Rules Governing the Listing of Securities on the Stock Exchange, as amended and modified from time to time                                                                                                                         |
| “Loan”                   | a property management loan in the principal amount of not exceeding RMB450,000,000 granted by Industrial Bank to Hefei Chuangju pursuant to the loan agreement entered into between Industrial Bank and Hefei Chuangju on 31 July 2024 |
| “PRC”                    | the People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region and Taiwan of the People’s Republic of China                                              |
| “Provision of Guarantee” | the provision of a joint liability guarantee by BCCDG in favour of Industrial Bank for the Loan as stipulated under the Guarantee Agreement                                                                                            |
| “RMB”                    | Renminbi, the lawful currency of the PRC                                                                                                                                                                                               |
| “Stock Exchange”         | The Stock Exchange of Hong Kong Limited                                                                                                                                                                                                |
| “%”                      | per cent.                                                                                                                                                                                                                              |

In this announcement, unless the context requires otherwise, the terms “associate(s)”, “connected person(s)”, “continuing connected transaction(s)”, “controlling shareholder(s)”, “percentage ratio(s)” and “subsidiary(ies)” shall have the meanings given to such terms in the Listing Rules.

\* *The English name is a translation of its Chinese name and is included for identification purposes only.*

By Order of the Board  
**Beijing Capital Grand Limited**  
**Xie Hongyi**  
*Executive Director*

Hong Kong, 2 August 2024

*As at the date of this announcement, the Board comprises Mr. Fan Shubin (Chairman) and Mr. Xie Hongyi (Chief Executive Officer) as executive Directors; Mr. Wang Hao, Ms. Qin Yi and Mr. Zhai Senlin as non-executive Directors; and Mr. Yeung Chi Tat, Dr. Huang Wei and Mr. Xu Weiguo as independent non-executive Directors.*