

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

**CONTINUING CONNECTED TRANSACTION
RELATING TO THE PAYMENT OF THE GUARANTEE FEE
PURSUANT TO THE ENTRUSTMENT GUARANTEE AGREEMENT
RELATING TO FANGSHAN CAPITAL OUTLETS**

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

On 19 November 2024, Fangshan Project Company and BCCDG entered into the Entrustment Guarantee Agreement in relation to the joint liability guarantee provided by BCCDG in favor of Minsheng Bank for the Loan granted by Minsheng Bank to Fangshan Project Company, and in return, Fangshan Project Company shall pay a guarantee fee to BCCDG calculated based on 0.7% 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 Fangshan Project Company 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 Fangshan Project Company 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 19 November 2024, Fangshan Project Company and BCCDG entered into the Entrustment Guarantee Agreement in relation to the joint liability guarantee provided by BCCDG in favor of Minsheng Bank for the Loan granted by Minsheng Bank to Fangshan Project Company, and in return, Fangshan Project Company shall pay a guarantee fee to BCCDG calculated based on 0.7% 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:	19 November 2024
Parties:	(a) BCCDG as the guarantor; (b) Fangshan Project Company as the entrusted guarantor
Guarantee purpose:	In respect of the covenant between Fangshan Project Company as borrower and Minsheng Bank as lender under the loan agreement for the Loan, BCCDG will provide joint liability guarantee in favor of Minsheng Bank for the repayment of the principal and the payment of interests of the Loan under the Guarantee Agreements.
Term:	a term of three years commencing from the 19 November 2024 to 18 November 2027 (both days inclusive)
Guarantee fee:	The guarantee fee is calculated based on 0.7% per annum of the balance of the actual total principal amount drawn down by Fangshan Project Company as borrowings under the Loan and deducting the amount repaid by Fangshan Project Company to Minsheng Bank (the maximum amount that Fangshan Project Company may draw down as borrowings under the Loan is RMB2,700,000,000).
Payment method:	The guarantee fee will be paid on an annual basis and calculated based on the number of days involved; the guarantee fees shall be paid at the end of each year; 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 Minsheng Bank.

The Annual Caps are based on the maximum guarantee fee payable by Fangshan Project Company under the Entrustment Guarantee Agreement and should be calculated as follows:

	For the period from 19 November 2024 to 31 December 2024 RMB'000	For the year ending 31 December 2025 RMB'000	For the year ending 31 December 2026 RMB'000	For the period from 1 January 2027 to 18 November 2027 RMB'000
Maximum guarantee fee under the Entrustment Guarantee Agreement	2,220	18,900	18,900	16,680

The calculations for the maximum guarantee fee is based on 0.7% per annum, which is similar or better than that charged for comparable entrustment guarantee arrangements in the market and is the same or better than the historical entrustment guarantee fee rate charged by BCCDG to the Group in respect of entrustment guarantee and consistent with past practices of the Group, multiplied by the maximum aggregate principal amount of RMB2,700,000,000 of the guarantee liability assumed by BCCDG as stipulated under the Entrustment Guarantee Agreement, and calculated based on the number of days involved.

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 Minsheng Bank will facilitate Fangshan Project Company in obtaining the Loan from Minsheng 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

Fangshan Project Company

Fangshan Project Company 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 Fangshan 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 Fangshan Project Company 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 Fangshan Project Company 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 Fangshan Project Company 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 Fangshan Project Company and BCCDG on 19 November 2024 in relation to the Provision of Guarantee by BCCDG and payment of guarantee fee by Fangshan Project Company to BCCDG
“Fangshan Project Company”	Beijing Capital Outlets Fangshan Property Investment Co., Ltd.* (北京首創奧特萊斯房山置業有限公司), a company established under the laws of the PRC with limited liability and an indirect wholly owned subsidiary of the Company
“Fangshan Capital Outlets”	Fangshan Capital Outlets (房山奧特萊斯項目), being the properties located in Changyang Town, Fangshan District, Beijing, with a total site area of approximately 90,770 square meters
“Group”	the Company and its subsidiaries
“Guarantee Agreement”	the guarantee agreement entered into between BCCDG and Minsheng Bank on 8 November 2024 in relation to the Provision of Guarantee

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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 RMB2,700,000,000 granted by Minsheng Bank to Fangshan Project Company pursuant to the loan agreement entered into between Minsheng Bank and Fangshan Project Company on 8 November 2024
“Minsheng Bank”	China Minsheng Bank Corp., Ltd. Beijing Branch (中國民生銀行股份有限公司北京分行)
“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 Minsheng 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, 19 November 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.