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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)**

## **CONTINUING CONNECTED TRANSACTION**

### **SUPPLY AGREEMENT**

#### **THE SUPPLY AGREEMENT**

On 28 September 2023, Chongqing BCG Outlets (an indirect wholly-owned subsidiary of the Company) and Chongqing YaJin entered into the Supply Agreement pursuant to which Chongqing BCG Outlets agreed to supply and Chongqing YaJin agreed to purchase Consumption Vouchers on the terms as set out in the Supply Agreement.

#### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, BCCDG is a controlling shareholder of the Company. Chongqing YaJin is an indirect non-wholly owned subsidiary of BCCDG, hence an associate of BCCDG and a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, Chongqing BCG Outlets's supply of Consumption Vouchers to Chongqing YaJin under the Supply Agreement constitutes continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Annual Cap for the transactions contemplated under the Supply Agreement 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**

Chongqing BCG Outlets (an indirect wholly-owned subsidiary of the Company) holds the project of the Chongqing Capital Outlets, and Chongqing YaJin is the seller of certain properties in the PRC. Chongqing YaJin wishes to engage Chongqing BCG Outlets to issue certain consumption vouchers for the use of Chongqing Yajin's customers at Chongqing Capital Outlets as property sales promotion.

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Under the arrangements, Chongqing YaJin is entitled to despatch the Consumption Vouchers issued by Chongqing BCG Outlets to its Customers, and the Customers can use the Consumption Vouchers as a form of payment at their face amount at Chongqing Capital Outlets.

## **THE SUPPLY AGREEMENT**

The principal terms of the Supply Agreement are set out below:

Date: 28 September 2023

Parties: (a) Chongqing BCG Outlets as supplier; and  
(b) Chongqing YaJin as purchaser.

Term: From 28 September 2023 to 31 December 2023.

Subject: Chongqing YaJin may purchase a maximum of 60 sets of Consumption Vouchers of face amount not exceeding RMB80,000 (including any applicable taxes) for each set, from Chongqing BCG Outlets from time to time during the term of the Supply Agreement. The total face amount of the Consumption Vouchers should not exceed RMB4,800,000 (including any applicable taxes).

Consideration: During the term of the Supply Agreement, Chongqing YaJin may request Chongqing BCG Outlets to issue Consumption Vouchers at such face amount designated by Chongqing YaJin. The consideration payable by Chongqing YaJin to Chongqing BCG Outlets for each set of Consumption Vouchers is equivalent to its total face amount.

Payment: The payment for each set of Consumption Vouchers shall be made by Chongqing YaJin to Chongqing BCG Outlets within seven business days prior to the delivery date. In the event that any purchased Consumption Vouchers remain uncollected by the Customers upon expiry of the term of the Supply Agreement, Chongqing BCG Outlets shall refund to Chongqing YaJin an amount equivalent to the face amount of the uncollected Consumption Vouchers.

## **ANNUAL CAP UNDER THE SUPPLY AGREEMENT**

The Group has not had any historical transactions with Chongqing YaJin in relation to supply and purchase of Consumption Vouchers during the previous 12 months.

The Annual Cap of the transactions contemplated under the Supply Agreement for the year ending 31 December 2023 is RMB4,800,000, which is calculated based on the following factors:

1. the maximum face amount of each set of Consumption Vouchers being RMB80,000 (including any applicable taxes); and
2. the expected purchase quantity of Consumption Vouchers being 60 sets.

Based on the aforesaid, the Directors consider that the Annual Cap is fair and reasonable.

## **REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE SUPPLY AGREEMENT**

The Board considers that the transactions contemplated under the Supply Agreement could leverage the synergies between Chongqing BCG Outlets and Chongqing YaJin. Through Chongqing YaJin's purchase of the Consumption Vouchers for the use of the Customers, there would be an indirect promotion of Chongqing Capital Outlets. This in turn, would further generate revenues for Chongqing BCG Outlets. Furthermore, the customer flow of the outlets is expected to grow, potentially attracting reputable merchants to join and expanding the tenant base. As a result, the enhanced quality and diversity of businesses operating at Chongqing Capital Outlets could solidify its position as a prominent shopping destination, appealing to a wider range of customers and increasing its competitiveness in the market, thereby contributing to the overall development and profitability of Chongqing BCG Outlets.

The terms of the Supply 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. Xu Jian and Ms. Qin Yi for the reasons as set out below), considers that the terms of the Supply Agreement are fair and reasonable and on normal or better commercial terms, and that the transactions contemplated under the Supply Agreement are in the ordinary and usual course of business of the Group 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. Xu Jian (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 and the secretary to the board of directors of BCCDG, they have abstained from voting on the Board resolution(s) in relation to the Supply Agreement. Save as the aforesaid, none of the Directors has a material interest in the transactions contemplated under the Supply Agreement which required them to abstain from voting on the Board resolution(s) to approve the same.

## **INFORMATION OF THE PARTIES**

### **Chongqing BCG Outlets**

Chongqing BCG Outlets is a company established under the laws of the PRC with limited liability. Chongqing BCG Outlets is an indirect wholly-owned subsidiary of the Company. Chongqing BCG Outlets holds and manages the operation of the Chongqing Capital Outlets, providing high-quality shopping, dining, leisure and entertainment options, creating a comprehensive shopping experience for consumers.

### **Chongqing YaJin**

Chongqing YaJin is a company established under the laws of the PRC with limited liability. Its principal business activities include real estate development, property rental, and parking management services. Chongqing YaJin is 99.99% held by Tianjin Xinshoujin Investment Partnership (Limited Partnership)\* (天津信首津投資合夥企業(有限合夥)) that has two limited partners, namely China Cinda Asset Management Co., Ltd. (中國信達資產管理股份有限公司) (“China Cinda”) and Shoujin Xinchuang (Beijing) Real Estate Development Co., Ltd.\* (首金新創(北京)置業發展有限公司) (“Shoujin Xinchuang”) with partnership interests of 68.11% and 31.89% respectively. China Cinda is established in the PRC, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1359). Shoujin Xinchuang is established in the PRC and is an indirect wholly-owned subsidiary of BCCDG.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, BCCDG is a controlling shareholder of the Company. Chongqing YaJin is an indirect non-wholly owned subsidiary of BCCDG, hence an associate of BCCDG and a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, Chongqing BCG Outlets’s supply of Consumption Vouchers to Chongqing YaJin under the Supply Agreement constitutes continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Annual Cap for the transactions contemplated under the Supply Agreement 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 Cap”	the annual cap based on the maximum transaction amounts stipulated under the Supply Agreement
“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 wholly-owned subsidiary of Capital Group
“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
“Chongqing BCG Outlets”	Chongqing BCG Outlets Properties Co., Ltd.* (重慶首鉅奧特萊斯置業有限公司), a company established under the laws of the PRC with limited liability, being the project company holding the Chongqing Capital Outlets and an indirect wholly-owned subsidiary of the Company
“Chongqing Capital Outlets”	Chongqing Capital Outlets* (重慶首創奧特萊斯), located in Banan District, Chongqing with a site area of approximately 74,350 square meters and total gross floor area of approximately 110,560 square meters
“Chongqing YaJin”	Chongqing Yajin Real Estate Development Co., Ltd* (重慶雅錦房地產開發有限公司), a company established under the laws of the PRC with limited liability
“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)
“Consumption Vouchers”	vouchers that can be used as a form of payment at their face amount in certain stores at Chongqing Capital Outlets
“Customer(s)”	customer(s) of Chongqing YaJin who purchased properties
“Director(s)”	the director(s) of the Company

“Group”	the Company and its subsidiaries
“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
“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
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supply Agreement”	the Supply Agreement entered into between Chongqing BCG Outlets and Chongqing YaJin on 28 September 2023 in relation to the supply and purchase of Consumption Vouchers
“%”	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.*

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

Hong Kong, 28 September 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 Mr. Yeung Chi Tat, Dr. Huang Wei and Mr. Xu Weiguo as independent non-executive Directors.*

*The English transliteration of the Chinese name(s) in this announcement (if any), where indicated with \*, is included for information purpose only, and should not be regarded as the official English name(s) of such Chinese name(s).*