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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 ENTRUSTED MANAGEMENT AGREEMENT

On 20 December 2023, Hengsheng Huachuang Kunshan and Shouchuang Xinkai (“**the Parties**”) entered into the Entrusted Management Agreement pursuant to which Shouchuang Xinkai shall entrust to Hengsheng Huachuang Kunshan the operation and management of the Kunshan Property from 23 December 2023 to 20 June 2024. The Kunshan Property will open for business on or around 23 December 2023.

Save for the Entrusted Management Agreement, the Parties also entered into the Preparatory Management Agreement previously where, in the consideration of RMB2,400,000, Hengsheng Huachuang Kunshan provided business planning and preparation, merchant and site management, and opening planning services for the Kunshan Property during 13 June 2023 to 22 December 2023 being the pre-opening preparation stage of the Kunshan Property.

### LISTING RULES IMPLICATIONS

As at the date of this announcement, BCCDG is the controlling shareholder of the Company. Shouchuang Xinkai is a wholly owned subsidiary of BCCDG, hence an associate of BCCDG and a connected person of the Company under Chapter 14A of the Listing Rules. Hengsheng Huachuang Kunshan is the branch company of Hengsheng Huachuang, which is a wholly-owned subsidiary of the Company. Accordingly, the Transaction constitutes continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, a series of connected transactions will be aggregated and treated as if they were one transaction if they were all entered into or completed within a 12-month period or are otherwise related. The Transaction together with the Preparatory Management Agreement commenced on 13 June 2023 was related and were both entered into within a 12-month period. Accordingly, these transactions shall be aggregated and treated as if they were one transaction, and the aggregate figures of the Aggregate Transactions shall be used for calculating the applicable percentage ratios.

As one or more of the applicable percentage ratios in respect of Aggregate Transactions exceed 0.1% but are all less than 5%, the Transaction itself or the Aggregate Transactions 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**

The Parties entered into the Preparatory Management Agreement previously where in the consideration of RMB2,400,000, Hengsheng Huachuang Kunshan provided business planning and preparation, merchant and site management, and opening planning services for the Kunshan Property during 13 June 2023 to 22 December 2023 being the pre-opening preparation stage of the Kunshan Property.

On 20 December 2023, the Parties entered into the Entrusted Management Agreement pursuant to which Shouchuang Xinkai shall entrust to Hengsheng Huachuang Kunshan the operation and management of the Kunshan Property from 23 December 2023 to 20 June 2024.

## **ENTRUSTED MANAGEMENT AGREEMENT**

The principal terms of the Entrusted Management Agreement are set out below:

- Date: 20 December 2023
- Parties: (a) Shouchuang Xinkai (as the principal)  
(b) Hengsheng Huachuang Kunshan (as the trustee)
- Term: from 23 December 2023 to 20 June 2024
- Subject: Hengsheng Huachuang Kunshan is entrusted for the operation and management of the Kunshan Property, including, among others, property operation management operation team establishment.
- Consideration: During the term of the Entrusted Management Agreement, Shouchuang Xinkai shall pay Hengsheng Huachuang Kunshan the Entrusted Management Fee of RMB1,200,000 and the Special Management Fee not exceed of RMB7,150,000.
- Payment: (a) Entrusted Management Fee: the fee shall be fully settled by Shouchuang Xinkai within 20 business days after entering into the Entrusted Management Agreement by the Parties;

- (b) Special Management Fee: the fee shall be calculated based on the actual costs of establishing business and operation team, and the human resources and administration fee; the first part of the fee, being the total sum of actual costs for establishing business and operation team fee, generated during year 2023 shall be settled by Shouchuang Xinkai within 20 business days after entering into the Entrusted Management Agreement; the second part of the fee, being the total sum of the actual human resources and administration fee generated in the first quarter of 2024, shall be settled within 20 business days after 31st March 2024; the final part of the fee, being the actual human resources and administration fee generated from 1st April 2024 to 20th June 2024, shall be settled within 20 business days after the end of the Entrusted Management Agreement.

## **ANNUAL CAPS UNDER THE AGGREGATE TRANSACTIONS**

The Annual Caps of the Aggregate Transactions are set out below:

	<b>Annual Caps</b>
For the period from 13 June 2023 to 31 December 2023	RMB2,700,000
For the period from 1 January 2024 to 20 June 2024	RMB8,050,000

In determining the Annual Caps, the Company has taken into account of (a) the level of Entrusted Management Fee chargeable to the independent third party(ies) by the Company for providing such services of similar nature and scale; (b) the quotations of the similar service from other service providers in the market; (c) the estimated labor costs and administrative expenses; and (d) the actual fee generated during the preparation period.

## **REASONS FOR AND BENEFITS OF THE ENTERING INTO THE ENTRUSTED MANAGEMENT AGREEMENT**

The Board considers that the transactions contemplated under the Entrusted Management Agreement could steadily promote the strategic deployment of light assets, realize the export of commercial management capabilities and brand resources, and realize diversified revenue growth. The terms of the Entrusted Management 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 Entrusted Management Agreement are fair and reasonable and on normal or better commercial terms, and that the transaction contemplated under the Entrusted Management 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 Entrusted Management Agreement. Save as the aforesaid, none of the Directors has a material interest in the transactions contemplated under the Entrusted Management Agreement which required them to abstain from voting on the Board resolution(s) to approve the same.

## **INFORMATION OF THE PARTIES**

### **Shouchuang Xinkai**

Shouchuang Xinkai is a company incorporated under the laws of the PRC with limited liability and is a wholly-owned subsidiary of BCCDG. It is principally engaged in the development of commercial projects and real estate, the sale of properties.

### **Hengsheng Huachuang**

Hengsheng Huachuang is a company incorporated under the laws of the PRC with limited liability and is a wholly-owned subsidiary of the Company. It is the commercial management platform of the Company.

### **Hengsheng Huachuang Kunshan**

Hengsheng Huachuang Kunshan is the branch company of Hengsheng Huachuang in Kunshan, Jiangsu Province, the PRC.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, BCCDG is the controlling shareholder of the Company. Shouchuang Xinkai is a wholly owned subsidiary of BCCDG, hence an associate of BCCDG and a connected person of the Company under Chapter 14A of the Listing Rules. Hengsheng Huachuang Kunshan is the branch company of Hengsheng Huachuang, which is a wholly-owned subsidiary of the Company. Accordingly, the Transaction constitutes continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, a series of connected transactions will be aggregated and treated as if they were one transaction if they were all entered into or completed within a 12-month period or are otherwise related. The Transaction together with the Preparatory Management Agreement commenced on 13 June 2023 was related and were both entered into within a 12-month period. Accordingly, these transactions shall be aggregated and treated as if they were one transaction, and the aggregate figures of the Aggregate Transactions shall be used for calculating the applicable percentage ratios.

As one or more of the applicable percentage ratios in respect of Aggregate Transactions exceed 0.1% but are all less than 5%, the Transaction itself or the Aggregate Transactions 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 amounts of the Aggregate Transactions
“Aggregate Transactions”	the Transaction together with the Preparatory Management Agreement commenced on 13 June 2023
“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
“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
“Entrusted Management Agreement”	The provision of the operation and management services to the Kunshan Property from 23 December 2023 to 20 June 2024 by Hengsheng Huachuang Kunshan.
“Entrusted Management Fee”	The fee of operation and management for the Kunshan Property
“Group”	the Company and its subsidiaries

“Hengsheng Huachuang”	Zhuhai Hengqin Hengsheng Huachuang Business Management Co., Ltd.* (珠海橫琴恒盛華創商業管理有限公司), a wholly-owned subsidiary of the Company as at the date of this announcement
“Hengsheng Huachuang Kunshan”	Hengsheng Huachuang Kunshan is the branch of Hengsheng Huachuang (珠海橫琴恒盛華創商業管理有限公司昆山分公司)
“Kunshan Property”	Kunshan shopping mall, is located in development zone of Kunshan, Jiangsu with total gross floor area of approximately 110,560 square meters
“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
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Preparatory Management Agreement”	The provision of business planning and preparation, merchant and site management, and opening planning services by Hengsheng Huachuang Kunshan for the Kunshan Property during 13 June 2023 to 22 December 2023 being the pre-opening preparation stage of the Kunshan Property.
“RMB”	Renminbi, the lawful currency of the PRC
“Shouchuang Xinkai”	Kunshan Shouchuang Xinkai Property Co., Ltd.* (昆山市首創新開置業有限公司), a wholly-owned subsidiary of BCCDG as at the date of this announcement
“Special Management Fee”	The fee of human resources, administration and resignation compensation
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the provision of operation and management services by Hengsheng Huachuang Kunshan under the Entrusted Management Agreement
“%”	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**  
**Xu Jian**  
*Executive Director*

Hong Kong, 20 December 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.*