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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 FRAMEWORK AGREEMENT

SUPPLY FRAMEWORK AGREEMENT

On 31 May 2024, Chongqing BCG Outlets (an indirect wholly-owned subsidiary of the Company) and Chongqing YaJin entered into the Supply Framework Agreement pursuant to which Chongqing BCG Outlets agreed to supply and Chongqing YaJin agreed to purchase Consumption Vouchers during the term of the Supply Framework Agreement.

LISTING RULES IMPLICATIONS

As at the date of this announcement, BCCDG is a controlling shareholder of the Company. Chongqing YaJin is an indirect 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, the transactions contemplated under the Supply Framework Agreement constitute 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 caps for the transactions contemplated under the Supply Framework Agreement exceed 0.1% but are all less than 5%, the transactions contemplated under the Supply Framework Agreement are 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 real 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 real 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 FRAMEWORK AGREEMENT

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

Date: 31 May 2024

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

Term: From 31 May 2024 to 31 December 2025 (both dates inclusive)

Scope of supply: During the term of the Supply Framework 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.

The Supply Framework Agreement is a framework agreement which sets out the terms and conditions for the purchase of Consumption Vouchers from Chongqing BCG Outlets. Individual supply agreements will be entered into between Chongqing BCG Outlets and Chongqing YaJin from time to time to govern other transaction terms including the quantity, face amount, delivery and settlement arrangements, provided that all of such terms should be fair and reasonable, on normal commercial terms and no less favourable than the terms and conditions offered to other independent purchasers.

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 of the individual supply agreement.

ANNUAL CAPS UNDER THE SUPPLY FRAMEWORK AGREEMENT

The aggregate transaction amount under the Supply Framework Agreement for each of the two financial years ending 31 December 2024 and 2025, respectively, shall not exceed RMB16,000,000 (the “**Annual Caps**”), which were 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 maximum purchase quantity of Consumption Vouchers being 200 sets for each year of 2024 and 2025.

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

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE SUPPLY FRAMEWORK AGREEMENT

The Board considers that the transactions contemplated under the Supply Framework 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 Framework 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 as set out below), considers that the terms of the Supply Framework Agreement are fair and reasonable and on normal or better commercial terms, and that the transactions contemplated under the Supply Framework 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. 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 entering into of the Supply Framework Agreement. Save as the aforesaid, none of the Directors has a material interest in the transactions contemplated under the Supply Framework 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 an indirect wholly-owned subsidiary of BCCDG.

LISTING RULES IMPLICATIONS

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As one or more of the applicable percentage ratios in respect of the annual caps for the transactions contemplated under the Supply Framework Agreement exceed 0.1% but are all less than 5%, the transactions contemplated under the Supply Framework Agreement are 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:

“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 real 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 Framework Agreement”

the Supply Framework Agreement entered into between Chongqing BCG Outlets and Chongqing YaJin on 31 May 2024 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
Xie Hongyi
Executive Director

Hong Kong, 31 May 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.

* *For identification purposes only*