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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)

PROPOSED CHANGE OF AUDITOR

This announcement is made by Beijing Capital Grand Limited (the “**Company**”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

RETIREMENT OF AUDITOR

The board of directors (the “**Board**”) of the Company hereby announces that the term of office of PricewaterhouseCoopers (“**PwC**”), the current auditor of the Company, will end at the conclusion of the 2023 annual general meeting of the Company to be held on 31 May 2024 (the “**2023 AGM**”), who will retire as the auditor of the Company. According to the requirements of the Measures for Administration of Selection and Engagement of Accounting Firms by State-Owned Enterprises and Listed Companies (Cai Kuai [2023] No. 4) (《國有企業、上市公司選聘會計師事務所管理辦法》(財會[2023]4 號)) (the “**Administrative Measures**”) jointly issued by the Ministry of Finance of the People’s Republic of China, the State-owned Assets Supervision and Administration Commission of the State Council and the China Securities Regulatory Commission, PwC’s appointment as the auditor of the Company has reached the prescribed consecutive term of appointment under the Administrative Measures. Therefore, the Company is required to change its auditor in the year of 2024.

The Board and the audit committee of the Company (the “**Audit Committee**”) have confirmed that there is no disagreement or unresolved matters between PwC and the Company, and there is no other matter in respect of the change of auditor that need to be brought to the attention of the shareholders of the Company (the “**Shareholders**”).

The Company is incorporated under the laws of Cayman Islands and to the knowledge of the Board there is no requirement under the laws of Cayman Islands for the retiring auditor to confirm whether or not there is any circumstance connected with their retirement which they consider should be brought to the attention of the Shareholders and the Company’s creditors. PwC has therefore not issued such confirmation.

The Board would like to express its sincere gratitude to PwC for its professional services provided to the Company in the past years.

APPOINTMENT OF AUDITOR

The Board, having considered the opinions of the Audit Committee and based on the election results, proposed to appoint KPMG as the auditor of the Company for the year 2024 upon expiry of the term of office of PwC, and proposed to the 2023 AGM to approve the authorization to the Board to determine the remuneration of the auditor.

The Audit Committee agreed to commence the selection and appointment of auditor by way of tender. After considered a number of factors including but not limited to (i) its experience in handling audit work for companies listed on the Stock Exchange, its industry knowledge, technical competence/expertise and performance capability; (ii) its resources allocation, quality and capability including but not limited to manpower, time and other resources allocation; (iii) its independence and objectivity; (iv) its audit fee; (v) its market reputation and track record, and carefully assessed KPMG's eligibility and suitability to act as the auditor of the Company in accordance with the rules and requirements set forth in (i) the "Guidelines for Effective Audit Committees — Selection, Appointment and Reappointment of Auditors" issued by the Accounting and Financial Reporting Council ("AFRC") in December 2021; and (ii) the "Guidance Notes on Change of Auditors" published by the AFRC in September 2023, the Audit Committee recommended KPMG to the Board as the auditor of the Company.

The appointment of KPMG is subject to the approval of the Shareholders by way of an ordinary resolution at the 2023 AGM and shall hold office until the conclusion of the next annual general meeting of the Company following the 2023 AGM.

A circular containing, among other things, (i) details of the proposed change of auditor; and (ii) a notice of the 2023 AGM, will be despatched to the Shareholders as soon as practicable.

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

Hong Kong, 18 April 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.