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## **CHINA EVERBRIGHT WATER LIMITED**

**中國光大水務有限公司**

*(Incorporated in Bermuda with limited liability)*

(Hong Kong Stock Code: 1857)

(Singapore Stock Code: U9E)

### **PROPOSED CHANGE OF AUDITOR**

This announcement is made by China Everbright Water Limited (the “**Company**”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities (the “**SEHK Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**SEHK**”) and Chapter 7 of the listing manual (the “**SGX-ST Listing Manual**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).

The board of directors of the Company (the “**Board**”) hereby announces that resolutions will be proposed at the forthcoming annual general meeting of the Company to be held in 2024 (the “**2024 AGM**”) to approve, *inter alia*, the proposed change of auditor of the Company.

### **RETIREMENT OF AUDITOR**

The Board hereby announces that Ernst & Young LLP (“**EY**”) will retire as the auditor of the Company with effect from the conclusion of the 2024 AGM, and will not be re-appointed.

Since the number of years that the Company has continuously engaged EY will reach the prescribed time limit according to the relevant regulations 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 regarding the restriction in respect of the years of services that an accounting firm can continuously provide to a state-owned enterprise, and in order to maintain good corporate governance and enhance the independence of the auditor, EY will not be re-appointed as the auditor of the Company upon the expiration of its term of office.

The Company has received a written confirmation letter dated 27 February 2024 from EY confirming that there were no circumstances connected with its retirement that need to be brought to the attention of the shareholders of the Company (the “**Shareholders**”). The Board and the audit committee of the Company (the “**Audit Committee**”) further confirmed that there were no disagreements or unresolved matters between the Company and EY and there were no other matters in connection with the retirement of the auditor that need to be brought to the attention of the Shareholders.

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

### **APPOINTMENT OF AUDITOR**

The Board further announces that, with the recommendation from the Audit Committee, the Board will propose to appoint KPMG LLP (“**KPMG**”) as the auditor of the Company for the year ending 31 December 2024 following the retirement of EY, and to hold office until the conclusion of the next annual general meeting of the Company to be held in 2025, subject to the approval of the Shareholders at the 2024 AGM.

The Audit Committee has considered a number of factors when recommending KPMG as the auditor of the Company to the Board, including but not limited to (i) its experience in handling audit work for companies listed on the SEHK and the SGX-ST, its industry knowledge and its familiarity with the requirements under the SEHK Listing Rules, the SGX-ST Listing Manual and the International Financial Reporting Standards; (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; (vi) the “Guidelines for Effective Audit Committees – Selection, Appointment and Reappointment of Auditors” issued by the Accounting and Financial Reporting Council (the “**AFRC**”) in December 2021; and (vii) the “Guidance Notes on Change of Auditors” published by the AFRC in September 2023.

Based on the above, the Audit Committee has assessed and considered that KPMG is eligible and suitable to act as the new auditor of the Company. A special notice was given by a Shareholder, being a direct subsidiary of China Everbright Environment Group Limited, pursuant to section 89(3) of the Bermuda Companies Act 1981, of its intention to propose the following resolution as an ordinary resolution at the 2024 AGM:

“**THAT** KPMG be hereby appointed as the auditor of the Company in place of the retiring auditor, EY, to hold office until the conclusion of the next annual general meeting of the Company and its remuneration to be fixed by the Board.”

The Board and the Audit Committee are of the view that the appointment of KPMG as the auditor of the Company is in the interest of the Company and the Shareholders as a whole.

A circular containing, among other matters, the proposed change of auditor and a notice of the 2024 AGM together with the related proxy form will be published on the SGXNet and the websites of Hong Kong Exchanges and Clearing Limited and the Company, and the printed version will be despatched to the relevant Shareholders\* as soon as practicable.

By order of the Board  
**China Everbright Water Limited**  
**Kwan Yun Fui**  
*Legal Counsel and Joint Company Secretary*

Hong Kong and Singapore, 27 February 2024

*As at the date of this announcement, the board of directors of the Company comprises: (i) three executive directors, namely Mr. Hu Yanguo (Chairman), Mr. Tao Junjie (Chief Executive Officer) and Mr. Luo Junling; and (ii) four independent non-executive directors, namely Mr. Zhai Haitao, Mr. Lim Yu Neng Paul, Ms. Cheng Fong Yee and Ms. Hao Gang.*

\* *The Company has adopted an electronic communication regime. For details, please refer to the announcement of the Company dated 10 July 2023.*