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中國光大控股有限公司
CHINA EVERBRIGHT LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code: 165)

PROPOSED CHANGE OF AUDITOR

This announcement is made by the board of directors (the “**Board**”) of China Everbright 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**”).

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

According to the relevant regulations issued by the Ministry of Finance of the People’s Republic of China and the State-owned Assets Supervision and Administration Commission of the State Council of the People’s Republic of China regarding the audit work on financial statements of central state-owned enterprises, there are restrictions in respect of the years of audit services that an accounting firm can continuously provide to a central state-owned enterprise. The Company is a subsidiary of China Everbright Group Ltd. which is a central state-owned enterprise. Since the number of years that the Company has continuously engaged its existing independent auditor, Ernst & Young (“**EY**”), is approaching the prescribed time limit and in order to maintain good corporate governance and enhance the independence of the auditor, EY will retire as the auditor of the Company with effect from the conclusion of the 2024 AGM, and will not be re-appointed.

The Company has received a written confirmation letter dated 22 March 2024 from EY confirming that there are 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 and Risk Management Committee of the Board (the “**Audit Committee**”) further confirmed that there are no disagreements or unresolved matters between the Company and EY and there are 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 take this opportunity to express its gratitude to EY for its professional services and support in the past.

APPOINTMENT OF AUDITOR

The Board further announces that, with the recommendation from the Audit Committee, the Board will propose to appoint 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 (1) its experience in handling audit work for companies listed on the Stock Exchange and its industry knowledge; (2) its resources allocation, quality and capability including but not limited to manpower, time and other resources allocation; (3) its independence and objectivity; (4) its integrity record; (5) its audit fees; (6) 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 (7) 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 of the Company, pursuant to section 400(1)(a) and 578 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), 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 at a 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 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 Limited
Wan Kim Ying Kasina
Company Secretary

Hong Kong, 22 March 2024

As at the date of this announcement, the directors of the Company are:

Executive Directors:

Mr. Lin Chun (*President*)
Ms. Wang Yun
Mr. Yin Yanwu

Non-executive Directors:

Mr. Yu Fachang (*Chairman*)
Dr. Qin Hongyuan

Independent Non-executive Directors:

Dr. Lin Zhijun
Dr. Chung Shui Ming Timpson
Mr. Law Cheuk Kin Stephen
Mr. Wong Chun Sek Edmund