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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)

UPDATES IN RELATION TO THE PROPOSED CHANGE OF AUDITORS

This announcement is made by China Everbright Water Limited (the “**Company**”) pursuant to Rule 13.51(4) of the Rules of 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**”).

Reference is made to the announcement of the Company dated 27 February 2024 regarding the proposed change of auditor of the Company (the “**Announcement**”). Unless the context requires otherwise, capitalised terms used herein shall have the same meaning as those adopted in the Announcement.

The Board wishes to provide an update on the proposed change of auditor of the Company. To comply with the relevant requirements under the Singapore and Hong Kong jurisdictions, the Board proposes to appoint the following auditors 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:

1. KPMG LLP (“**KPMG SG**”) as the registered auditor of the Company to fulfil the requirements of the SGX-ST Listing Manual and Singapore Accountants Act (as defined below) in Singapore; and

2. **KPMG (“KPMG HK”)** as the auditor of the Company to fulfil the requirements of the SEHK Listing Rules and the AFRCO (as defined below) in Hong Kong.

The Board (with the recommendation from the Audit Committee) will propose to appoint KPMG SG, as the auditor of the Company in Singapore. Pursuant to Rule 712(2) of the SGX-ST Listing Manual, KPMG SG is an audit firm that is approved under the Accountants Act 2004 of Singapore (the “**Singapore Accountants Act**”), and the audit partner-in-charge assigned to the audit of the Company in Singapore is a public accountant under the Singapore Accountants Act.

The Board (with the recommendation from the Audit Committee) will also propose to appoint KPMG HK as the auditor of the Company in Hong Kong. KPMG HK is the Certified Public Accountants and Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong) (“**AFRCO**”), and the audit partner-in-charge assigned to the audit of the Company in Hong Kong is a practicing member of The Hong Kong Institute of Certified Public Accountants.

Moving forward, the financial statements of the Company to be audited by KPMG SG and KPMG HK in Singapore and Hong Kong respectively shall be prepared in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board.

APPOINTMENT OF KPMG SG AND KPMG HK

The Audit Committee has considered a number of factors when recommending to the Board the appointment of KPMG SG and KPMG HK as the auditors of the Company in Singapore and Hong Kong respectively, including but not limited to each of their (i) experience in handling audit work for companies listed on the SEHK and the SGX-ST, industry knowledge and familiarity with the requirements under the SEHK Listing Rules, the SGX-ST Listing Manual and the IFRS Accounting Standards; (ii) resources allocation, quality and capability including but not limited to manpower, time and other resources allocation; (iii) independence and objectivity; (iv) audit fee; (v) market reputation; (vi) the “Guidelines for Effective Audit Committees – Selection, Appointment and Reappointment of Auditors” issued by the AFRC in December 2021; and (vii) the “Guidance Notes on Change of Auditors” published by the AFRC in September 2023.

The Audit Committee has also taken into consideration the audit quality indicators introduced by the Accounting and Corporate Regulatory Authority of Singapore and the criteria for the evaluation and selection of the external auditors contained in the “Guidebook for Audit Committees in Singapore”, including factors such as the adequacy of the resources and experience of the auditing firm and the proposed audit engagement partner, the audit firm’s other engagements, and the number and experience of supervisory and professional staff to be assigned. Management feedback had also been taken into account and an independent and objective approach was observed throughout the selection process.

Based on the above, the Audit Committee has assessed and considered that KPMG SG and KPMG HK are eligible and suitable to act as the new auditors of the Company.

The Board and the Audit Committee are of the view that the appointment of KPMG SG and KPMG HK as the auditors 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 auditors and a notice of the AGM together with the related proxy form will be despatched to the shareholders of the Company as soon as practicable.

Saved as disclosed above, all other information as set out in the Announcement remains unchanged and shall continue to be valid for all purposes. This announcement is supplemental to and should be read in conjunction with the Announcement.

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

Hong Kong and Singapore, 28 March 2024

As at the date of this announcement, the board of directors of the Company comprises: (i) one non-executive director, namely Mr. Luan Zusheng (Chairman); (ii) two executive directors, namely Mr. Tao Junjie (Chief Executive Officer) and Mr. Wang Yuexing; and (iii) six independent non-executive directors, namely Mr. Zhai Haitao, Mr. Lim Yu Neng Paul, Ms. Cheng Fong Yee, Ms. Hao Gang, Mr. Ng Joo Hee Peter and Mr. Soh Kok Leong.