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CHINA EVERBRIGHT GREENTECH LIMITED

中國光大綠色環保有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1257)

PROPOSED CHANGE OF AUDITOR

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

RETIREMENT OF AUDITOR

Since the number of years that China Everbright Environment Group Limited (“**CEEGL**”, stock code: 0257.HK), the controlling shareholder of the Company, has continuously engaged Ernst & Young (“**EY**”), which has reached 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 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 the independency of auditor, EY will not be reappointed as the auditor of CEEGL upon the expiration of its term of office.

The board of directors of the Company (the “**Board**”) hereby announces that, as the Company is a subsidiary of CEEGL, in order to align with the audit arrangement of CEEGL for efficiency, EY will retire as the auditor of the Company (the “**Auditor**”) upon expiration of its term of office at the conclusion of the 2024 annual general meeting of the Company (the “**2024 AGM**”) and will not be reappointed.

The Company has received a confirmation in its retirement letter from EY dated 27 March 2024 confirming that there are no circumstances relating to its retirement that need to be brought to the attention of shareholders of the Company (the “**Shareholders**”). The Board and the audit and risk management committee of the Company (the “**Audit and Risk Management Committee**”) have also confirmed that there is no disagreement or unsolved issues between the Board and EY, and there are no other matters relating to aforementioned retirement that need to be brought to the attention of the Shareholders.

The Board would like to take this opportunity to express its sincere gratitude for the professional services provided by EY to the Company for the past years.

PROPOSED APPOINTMENT OF AUDITOR

The Board further announces that, with the recommendation from the Audit and Risk Management Committee, it will propose to appoint Messrs. KPMG (“**KPMG**”) as the Auditor 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, subject to the approval of the Shareholders at the 2024 AGM.

The Audit and Risk Management Committee has considered a number of factors when recommending KPMG to the Board as the Auditor, including but not limited to (i) its experience in handling audit work for companies listed on the Stock Exchange, its industry knowledge and its familiarity with the requirements under the Listing Rules and the Hong Kong Financial Reporting Standards; (ii) its resources allocation, quality and capability including but not limited to manpower, time and other resources allocation; (iii) its independency 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 (“**AFRC**”) in December 2021 (the “**Guide**”), including section 2 “Selection and Appointment of Auditors” of the Guide; and (vii) the “Guidance Notes on Change of Auditors” published by the AFRC in September 2023.

Based on the above, the Audit and Risk Management Committee has assessed and considered that KPMG is independent, competent and capable (including manpower, expertise, time and other resources) to perform a high-quality audit and KPMG is eligible and suitable to act as the Auditor. The Board and the Audit and Risk Management Committee are of the view that the appointment of KPMG as the Auditor is in the interest of the Company and the Shareholders as a whole.

A circular containing, among other things, information in relation to the proposed change of Auditor, together with the notice to convene the 2024 AGM, will be despatched to the Shareholders in due course.

By order of the Board
China Everbright Greentech Limited
ZHU Fugang
Executive Director and Chief Executive Officer

Hong Kong, 27 March 2024

As at the date of this announcement, the members of the Board comprise:

Mr. HUANG Haiqing (Chairman, Non-executive Director)
Mr. ZHU Fugang (Chief Executive Officer, Executive Director)
Mr. LO Kam Fan (Chief Financial Officer, Executive Director)
Mr. SONG Jian (Non-executive Director)
Mr. CHOW Siu Lui (Independent Non-executive Director)
Prof. YAN Houmin (Independent Non-executive Director)
Mr. LI Huaqiang (Independent Non-executive Director)