

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



CITIC Limited
中國中信股份有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 00267)

OVERSEAS REGULATORY ANNOUNCEMENT

(This overseas regulatory announcement is issued pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited)

The following announcement is released by CITIC Envirotech Ltd. (a subsidiary of CITIC Limited) to Singapore Exchange Limited on 17 October 2019:-

Proposed Change of Auditor

Hong Kong, 17 October 2019

As at the date of this announcement, the executive directors of CITIC Limited are Mr Chang Zhenming (Chairman), Mr Wang Jiong and Ms Li Qingping; the non-executive directors of CITIC Limited are Mr Song Kangle, Ms Yan Shuqin, Mr Liu Zhuyu, Mr Peng Yanxiang, Mr Liu Zhongyuan and Mr Yang Xiaoping; and the independent non-executive directors of CITIC Limited are Mr Francis Siu Wai Keung, Dr Xu Jinwu, Mr Anthony Francis Neoh, Mr Shohei Harada and Mr Gregory Lynn Curl.



CITIC ENVIROTECH LTD

(Company Registration Number: 200306466G)

PROPOSED CHANGE OF AUDITOR

The Board of Directors ("**Board**") of CITIC Envirotech Ltd ("**Company**") wishes to announce that the Company's intention to change its current auditor from Deloitte & Touche LLP ("**Deloitte**") to KPMG LLP ("**KPMG**") ("**Proposed Change of Auditor**").

Deloitte, the Company's outgoing auditor, has served as the external auditor of the Company for more than 15 years, since its appointment at the time of the Company's incorporation in 2003 and was last re-appointed at the AGM of the Company on 29 April 2019 to hold office until the conclusion of the next annual general meeting of the Company.

As part of ongoing good corporate governance initiatives, the Board is of the view that it would be timely to effect a change of auditor, subject to the approval of shareholders of the Company ("**Shareholders**") at an extraordinary general meeting of the Company ("**EGM**") to be held in due course. The Board believes that the Proposed Change of Auditor would enable the Company to further strengthen its corporate governance processes and also enable the Company to benefit from a fresh perspective. In addition, having the same auditor or its network firms auditing the major entities within the group would enhance the effectiveness of the audit. In particular, the Directors note that several other companies in the CITIC Group will be appointing or have already appointed KPMG or its local affiliates as their auditors.

After reviewing and deliberating on the suitability of KPMG and taking into consideration, amongst others, the audit quality indicators introduced by ACRA on selection of auditors, the Board has determined, in consultation with the Audit Committee, that the services proposals made by KPMG suit the needs of the Company. In addition, the Audit Committee and the Board are of the opinion that, with respect to KPMG's proposed appointment, Rules 712, 715 and 716 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Listing Manual**") has been complied with. The Board is thus recommending that KPMG be appointed as the new auditor of the Company.

In this regard, the Company had, on 14 August 2019, sent a letter to Deloitte giving notice that the Company would not be inviting Deloitte for re-appointment as Auditor at the EGM and next annual general meeting of the Company ("**Company's Notice**"). On 12 September 2019, Deloitte had applied to the Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**") to seek ACRA's consent to its resignation as the auditor of the Company. Subsequently, Deloitte had, on 11 October 2019, received a letter from ACRA consenting to its resignation as the auditor of the Company and pursuant to the consent from ACRA, has provided the Company with its notice of resignation as the auditor of the Company ("**Notice of Resignation**"). Copies of the Company's Notice and the Notice of Resignation are attached to this announcement.

In accordance with Section 205AB(5) of the Companies Act (Chapter 50) of Singapore, the resignation of Deloitte as the auditor of the Company took effect on 24 September 2019.

KPMG had on 11 September 2019 given its written consent to be appointed as the auditor of the Company. Pursuant to Rule 712(3) of the Listing Manual and Section 205AF of the Companies Act, the appointment of

KPMG as the auditor of the Company in place of Deloitte must be specifically approved by Shareholders at a general meeting. The appointment of KPMG as the auditor of the Company will therefore take effect upon approval of the same by Shareholders at the EGM, and if appointed, KPMG will hold office until the conclusion of the next annual general meeting of the Company for the financial year ending 31 December 2019.

In accordance with the requirements of Rule 1203(5) of the Listing Manual:

- (a) Deloitte has confirmed to KPMG that it is not aware of any professional reasons why KPMG should not accept the appointment as auditor of the Company;
- (b) the Company confirms that other than as set out above, there were no disagreements with Deloitte on accounting treatments within the last 12 months up to the date of this announcement;
- (c) the Company confirms that, other than as set out above, it is not aware of any circumstances connected with the Proposed Change of Auditor that should be brought to the attention of Shareholders;
- (d) the Company confirms that the specific reasons for the Proposed Change of Auditor have been disclosed in this announcement; and
- (e) the Company confirms that it is or will be in compliance with Rule 712, Rule 715 and Rule 716 of the Listing Manual in relation to the appointment of KPMG as the auditor of the Company.

The Board wishes to express its appreciation for the past audit services rendered by Deloitte.

A circular on, *inter alia*, the Proposed Change of Auditor, together with a notice of EGM, will be despatched to Shareholders in due course.

By Order of the Board

Lotus Isabella Lim Mei Hua
Company Secretary
17 October 2019



中信环境技术
CITIC ENVIROTECH

14 August 2019

Deloitte & Touche LLP
6 Shenton Way,
OUE Downtown 2,
#33-00,
Singapore 068809

Dear Jeremy,

CHANGE OF AUDITORS

We are writing to inform you that CITIC Environment Investment Group Co., Ltd., ("CITIC Environment") a substantial shareholder of our company, had requested the appointment of KPMG LLP, in place of Deloitte & Touche LLP, as Auditors of our company.

KPMG LLP has been the statutory auditors of CITIC Environment since the financial year ended 31 December 2018. By engaging KPMG LLP as our external auditors, the Group will be able to streamline and align its financial audit and reporting processes with its major shareholder CITIC Environment. As a result, the Group expects improved levels of coordination and a more efficient audit process with KPMG LLP as its external auditors.

The Directors wish to express their appreciation for the services rendered by Deloitte & Touche LLP in the past.

Thank you.

Dr Chong Weng Chiew
On behalf of the Directors

CITIC ENVIROTECH LTD

10 Science Park Road #01-01 The Alpha Singapore 117684 Tel: 65-6774 7298 Fax: 65-6774 8920 Website: www.citicenvirotech.com
Co. Reg. No. 200306468G



Deloitte & Touche LLP
Unique Entity No. T08LLD721A
6 Shenton Way
01E Downtown 2
#53-01
Singapore 068809

Tel: +65 6224 6288
Fax: +65 6538 6166
www.deloitte.com.sg

14 October 2019

CITIC Envirotech Ltd.
10 Science Park Road #01-01
The Alpha
Singapore 117684

Attention: Dr Chong Weng Chiew

Dear Dr Chong

**CITIC Envirotech Ltd. (the "Company") and its subsidiaries
United Envirotech Water Resource Pte. Ltd.
Memstar Holding Pte. Ltd.
Memstar Pte. Ltd.
Memstar Water Pte. Ltd.
Singapore Envirotech Accelerator Pte. Ltd.**

RESIGNATION AS AUDITORS

We refer to your letter dated 14 August 2019.

We hereby give notice to resign as statutory auditors of your Company and its subsidiaries. Our resignation will take effect from 24 September 2019 pursuant to section 205AB of the Singapore Companies Act, Cap. 50.

Yours faithfully