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中國海外宏洋集團有限公司
CHINA OVERSEAS GRAND OCEANS GROUP LTD.

(incorporated in Hong Kong with limited liability)
(Stock Code: 81)

**RENEWAL OF EXISTING CONTINUING CONNECTED TRANSACTIONS
WITH
中國建築股份有限公司
(CHINA STATE CONSTRUCTION ENGINEERING CORPORATION LIMITED)
IN RELATION TO CONSTRUCTION RELATED SERVICES**

RENEWAL OF EXISTING CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement of the Company dated 18 May 2022 in relation to, among other things, the Existing Engagement Agreement entered into between the Company and CSCECL, pursuant to which the Group might engage the CSCECL Group as contractor upon its successful tender(s) in accordance with the tendering procedures of the Group from time to time for a term of three years from 1 July 2022 to 30 June 2025.

The Existing Engagement Agreement will expire on 30 June 2025 and the Group expects to continue to invite the CSCECL Group to participate in competitive tenders for the Group's Construction Related Services in the PRC and to engage the CSCECL Group upon its successful tender(s). As such, on 9 May 2025, the Company and CSCECL entered into the Renewal Engagement Agreement for a term of three years from 1 July 2025 to 30 June 2028.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CSCECL is an intermediate holding company of COLI which in turn holds approximately 39.63% of the issued share capital of the Company. Therefore, CSCECL is a connected person of the Company and the transactions contemplated under the Renewal Engagement Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Since one or more of the applicable percentage ratios calculated for the Company in respect of the highest Cap exceed 5%, the transactions contemplated under the Renewal Engagement Agreement are subject to the reporting, announcement, annual review, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

An Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders in respect of the Renewal Engagement Agreement (together with the Caps) and the transactions contemplated thereunder. Maxa Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this connection.

An ordinary resolution will be proposed at the GM for the Independent Shareholders to consider and, if thought fit, approve the Renewal Engagement Agreement (together with the Caps) and the transactions contemplated thereunder. COLI and its associates will abstain from voting on the ordinary resolution in respect of the Renewal Engagement Agreement (together with the Caps) and the transactions contemplated thereunder at the GM. Voting at the GM will be conducted by poll.

A circular containing, among other things, further details of the Renewal Engagement Agreement and the Caps, the recommendation of the Independent Board Committee, a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders are expected to be despatched to the Shareholders on or around 30 May 2025.

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RENEWAL ENGAGEMENT AGREEMENT

Date

9 May 2025

Parties

1. The Company; and
2. CSCECL.

Subject Matter

Pursuant to the Renewal Engagement Agreement, it is agreed that:

1. any member of the CSCECL Group may submit tender for the Group's Construction Related Services in the PRC in accordance with the standard and systematic tendering procedures of the Group from time to time for a term of three years commencing from 1 July 2025 and ending on 30 June 2028 (for details on the Group's tendering procedures, please refer to the sections headed "Renewal Engagement Agreement – Pricing Basis" and "Renewal Engagement Agreement – Tendering Procedures" of this announcement);
2. if any contract is granted in favour of any member of the CSCECL Group as a result of a successful tender, such member of the CSCECL Group may act as contractor for the Group in the PRC to provide the Construction Related Services based on the terms of the successful tender provided that (i) such terms shall be consistent with the terms of the Renewal Engagement Agreement, which terms shall prevail to the extent of any inconsistency between any individual contract and the Renewal Engagement Agreement; and (ii) the aggregate amount of all contract sums in respect of the Construction Related Services that may be awarded by the Group to the CSCECL Group for the following years/periods shall not exceed the corresponding Caps as set out below:

For the period from	For the period from	For the period from	For the period from
1 July to	For the year ending	For the year ending	1 January to
31 December 2025	31 December 2026	31 December 2027	30 June 2028
RMB500 million	RMB800 million	RMB800 million	RMB500 million

3. the amounts in respect of the Construction Related Services payable by the Group to the CSCECL Group will be settled pursuant to the payment terms set out in the tender documents for the relevant individual contracts; and
4. for the avoidance of doubt, the transactions contemplated under the Renewal Engagement Agreement are entered into by the parties on a non-exclusive basis, and neither members of the Group nor members of the CSCECL Group shall be obliged to enter into any such transactions in relation to the Construction Related Services unless a successful tender is awarded.

Pricing Basis

As a general principle, the prices and terms of the individual contracts awarded by the members of the Group to the members of the CSCECL Group shall be determined in the ordinary course of business of the Group, on normal commercial terms, negotiated on an arm's length basis and at prices and on terms no more favourable than those awarded by the Group to any independent third party contractors.

The Group will normally invite contractors in the Group's approved list (which includes members of the CSCECL Group) to participate in competitive tenders for the Group's Construction Related Services in the PRC in accordance with its standard and systematic tendering procedures. To the extent a potential contractor which the Group would like to invite is not yet on the Group's approved list, such potential contractor will be required to first submit an application to be listed as the Group's approved contractor through the procedures as set out under paragraph (i) of the sub-section headed "*1. Invitations to Tender*" below.

In conducting the Group's invitations to tender, review of tenders and tender selection, the participation of the member(s) of the CSCECL Group in the tender process shall not in any way affect the Group's tendering procedures, contract terms and selection principles. Member(s) of the CSCECL Group shall be treated in the same way as independent third parties.

The price and terms of the tenders awarded by member(s) of the Group to member(s) of the CSCECL Group for the Construction Related Services are subject to the standard and systematic tendering procedures maintained by the Group, which apply to tenders submitted by both connected persons and independent third parties to ensure that the price and terms of the tender awarded by member(s) of the Group to member(s) of the CSCECL Group are no more favourable than those awarded to independent third parties.

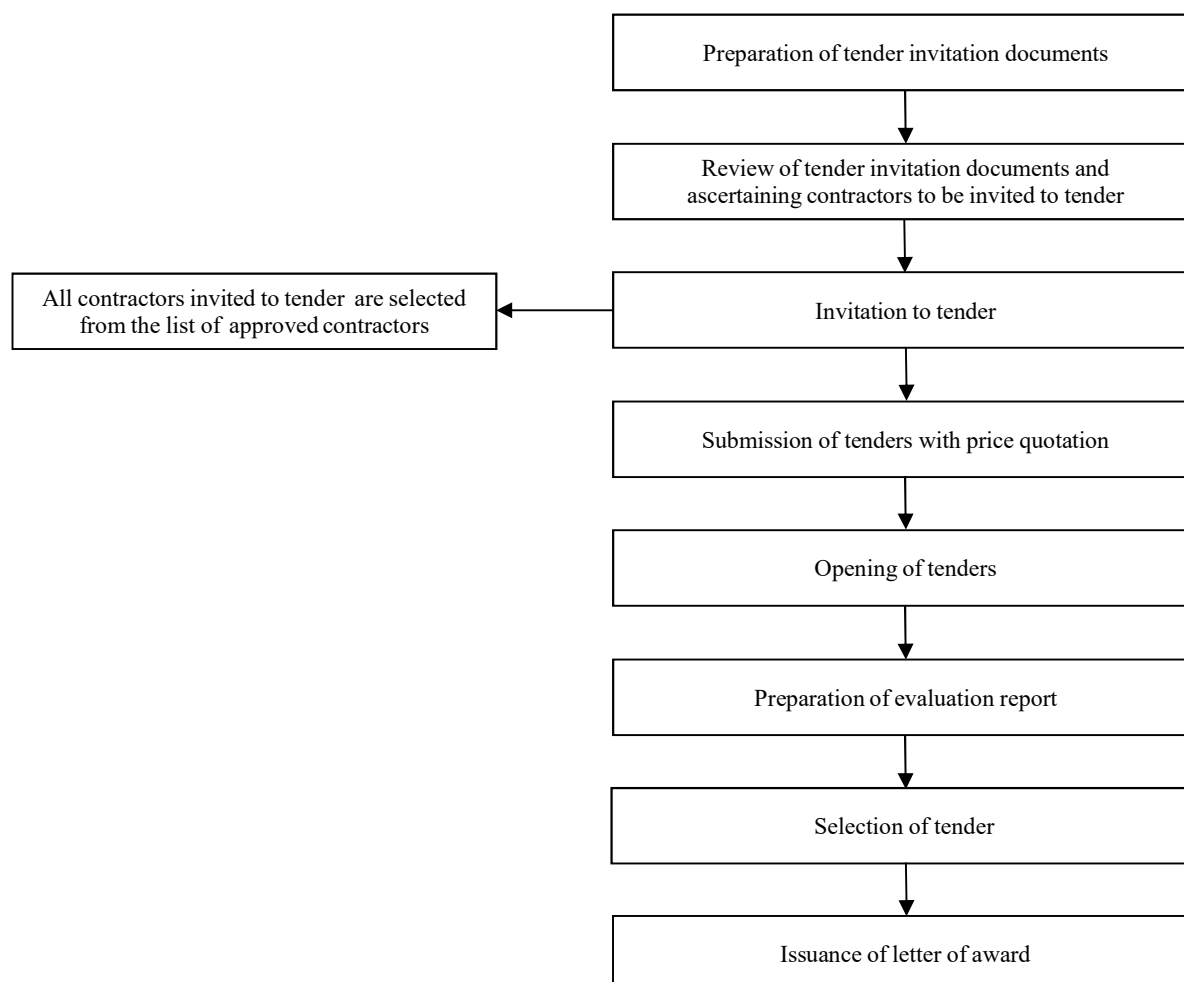
1. Invitations to Tender

- (i) The Group has established its own list of approved contractors (which is subject to periodic review and update by its management). All contractors invited to submit tenders for the Group's projects are selected from such list. Contractors in the list include those contractors with or without prior working history with the Group. Contractors with working history with the Group will be subject to suitability assessment annually. A contractor can be retained in the list if the result of such assessment is satisfactory to the Group. The Group will remove a contractor from the list if it fails to meet the minimum criteria for retention. If a contractor has no prior working history with the Group, the contractor will be subject to qualification evaluation and review (including assessment on its qualification, performance, reputation, techniques, funding, relationship with the Group's other approved contractors and/or employees) to ascertain if it is suitable for including the contractor in the list.
- (ii) Number of tenders to be invited: not less than three tenders for the contracts of the Group's Construction Related Services in the PRC will be invited.
- (iii) Selection of contractors to be invited to tender: the suitability of a contractor is assessed with reference to the selection criteria including but not limited to the contractor's qualification grade, financial ability, technical capability, cooperation record, project management ability, quality of work and business management capability. Depending on the estimated value of the relevant contract, the relevant leader in charge of the district company, which manages and operates the business activities in the cities within its own district, shall conduct the vetting process to ascertain which contractors to be invited to tender, following which the letter of invitation to tender will be issued.

2. *Tendering and Selection of Tenders*

- (i) Tendering: the Group has adopted an online tendering system which allows tenderers to submit their tenders online.
- (ii) Opening of tenders: upon the deadline for tender submission, the submitted tenders will be opened through the online tendering system operated by the department head of the cost management department of the district company. After the tenders are opened, the tender-opening records and uploaded information will be saved in the system and will be unalterable.
- (iii) Selection of tenders: based on the Group's established system of tendering, the winning bid will usually be the one conforming to the technical requirements with a reasonable and minimum price offered. The selection of tender is determined collectively by the relevant decision-making body in a meeting where contents of the proposed tender, the contractor's capability and risk of default are given full consideration. The relevant decision-making body is the Group's engineering management committee, the members of which are all independent of the CSCECL Group. The relevant letter of award will be issued once the final decision is made in the meeting of the decision-making body based on the final tender amount.

Tendering Procedures



Calculation of the Caps

The Caps are calculated with reference to the following factors:

1. the caps, utilisation rates of the caps and total contract sums awarded by the Group to the CSCECL Group under the Existing Engagement Agreement:

- (i) the caps and utilisation rates of the caps under the Existing Engagement Agreement:

For the period from 1 July to 31 December 2022	For the year ended 31 December 2023	For the year ended 31 December 2024	For the period from 1 January 30 June 2025
RMB280 million (0%)	RMB520 million (Approximately 99%)	RMB520 million (Approximately 38%)	RMB280 million (0%) ^{Note}

Note: The utilisation rate of the cap is calculated with reference to the total contract sum awarded by the Group to the CSCECL Group for the period from 1 January to 31 March 2025.

- (ii) the total contract sums awarded by the Group to the CSCECL Group under the Existing Engagement Agreement:

For the period from 1 July to 31 December 2022	For the year ended 31 December 2023	For the year ended 31 December 2024	For the period from 1 January to 31 March 2025
Nil	RMB513 million	RMB195 million	Nil

2. the estimated total contract sums of the Construction Related Services for the period from 1 July 2025 to 30 June 2028 for which the Group may from time to time invite the CSCECL Group to tender, which are determined with reference to the number and scale of the potential new construction projects of the Group in the PRC, and the prevailing market prices of construction materials and the labour costs.

The contract sums payable by the Group under the Renewal Engagement Agreement will be satisfied by the Group in cash from its general working capital.

In light of the above factors, the Directors (other than the independent non-executive Directors whose opinion will be provided after reviewing the advice of the Independent Financial Adviser) consider that the Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Shareholders should note that the Caps represent the best estimates by the Directors of the maximum amount of the relevant transaction(s) based on the information currently available. The Caps bear no direct relationship to, nor should be taken to have any direct bearing on, the Group's financial or potential financial performance. The Group may or may not engage the CSCECL Group to provide Construction Related Services up to the level of the Caps, if at all, as its engagement is subject to tendering procedures which are open to other independent third party contractors.

Conditions Precedent

The obligations in the Renewal Engagement Agreement are conditional upon the following conditions being satisfied on or before 30 June 2025 (or such other date as the parties to the Renewal Engagement Agreement may agree in writing), otherwise the Renewal Engagement Agreement shall terminate forthwith:

1. the Company having obtained the approval of the Independent Shareholders at the GM by way of poll in relation to the Renewal Engagement Agreement (including the Caps) and the transactions contemplated thereunder; and
2. the Company having complied with all other requirements as may be imposed by the Stock Exchange as a condition to the transactions contemplated under the Renewal Engagement Agreement (including the Caps) taking effect, if any.

REASONS FOR AND BENEFITS OF ENTERING INTO THE RENEWAL ENGAGEMENT AGREEMENT

The Directors consider that the CSCECL Group is a professional group with high qualifications in the PRC for providing Construction Related Services, and has a vast network of construction subsidiaries in the PRC. The Renewal Engagement Agreement, subject to successful tender(s), enables the Group to engage the CSCECL Group as its contractor and to provide the Construction Related Services for the property development projects of the Group in the PRC.

The Directors (other than the independent non-executive Directors whose opinion will be provided after reviewing the advice of the Independent Financial Adviser) are of the view that as far as the Shareholders are concerned, the transactions contemplated under the Renewal Engagement Agreement are expected to be entered into in the ordinary and usual course of business of the Group, the Renewal Engagement Agreement (together with the Caps) has been entered into on normal commercial terms after arm's length negotiations between the parties, and the terms of the Renewal Engagement Agreement (together with the Caps) and the transactions contemplated thereunder are fair and reasonable and in the best interests of the Company and its Shareholders as a whole.

INTERNAL CONTROL MEASURES

In addition to the standard and systematic tendering procedures of the Group as mentioned in the sections headed “Renewal Engagement Agreement – Pricing Basis” and “Renewal Engagement Agreement –Tendering Procedures” in this announcement, the Group has adopted the following internal control procedures in relation to the Renewal Engagement Agreement to protect the interests of the Shareholders:

1. the Group will comply with its internal control procedures in respect of connected transactions, where (i) the Company will review and compare the price of the tenders submitted by all the tenderers, the price of other similar projects and the market price for similar projects before selecting the tender with the reasonable lowest price; (ii) the intendance and audit department will monitor and inspect the tendering procedure; and (iii) the internal system of the Company will, on an on-going basis regardless of the tender amount, monitor the amounts awarded if a successful tender is awarded to a connected person of the Company to ensure that the caps will not be exceeded before entering into any transactions contemplated under the corresponding framework/ engagement agreements;
2. the Group will monitor the implementation of the Renewal Engagement Agreement on a regular basis and ensure that the transactions contemplated under the Renewal Engagement Agreement will be conducted under the terms of the Renewal Engagement Agreement, and the Caps will not be exceeded;
3. the Company will appoint an external auditor pursuant to the Listing Rules to conduct annual review of the transactions contemplated under the Renewal Engagement Agreement (together with the Caps);
4. the Company will continue to review on a regular basis the implementation and the effectiveness of the internal control system and tendering procedures of the Group; and
5. the independent non-executive Directors will review the report of the continuing connected transactions of the Company (including the transactions contemplated under the Renewal Engagement Agreement) annually to ensure that they have been entered into in the ordinary and usual course of business of the Group and on normal commercial terms, and have been carried out pursuant to the terms of such transactions, and that such terms are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The Board considers that the above internal control procedures adopted by the Group in connection with the transactions contemplated under the Renewal Engagement Agreement are appropriate and sufficient, and will give sufficient assurance that such transactions contemplated under the Renewal Engagement Agreement will be appropriately monitored by the Company.

INFORMATION ON THE PARTIES

The Group is principally engaged in property development and commercial property operations.

The CSCECL Group is principally engaged in housing construction, infrastructure and investment, real estate investment and development, and investigation and design.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CSCECL is an intermediate holding company of COLI which in turn holds approximately 39.63% of the issued share capital of the Company. Therefore, CSCECL is a connected person of the Company and the transactions contemplated under the Renewal Engagement Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Since one or more of the applicable percentage ratios calculated for the Company in respect of the highest Cap exceed 5%, the transactions contemplated under the Renewal Engagement Agreement are subject to the reporting, announcement, annual review, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

None of the Directors is regarded as having a material interest in the Renewal Engagement Agreement (together with the Caps) and the transactions contemplated thereunder, and no Director is required to abstain from voting on the Board resolutions of the Company approving the Renewal Engagement Agreement (together with the Caps) and the transactions contemplated thereunder.

An Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders in respect of the Renewal Engagement Agreement (together with the Caps) and the transactions contemplated thereunder. Maxa Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this connection.

An ordinary resolution will be proposed at the GM for the Independent Shareholders to consider and, if thought fit, approve the Renewal Engagement Agreement (together with the Caps) and the transactions contemplated thereunder. COLI and its associates will abstain from voting on the ordinary resolution in respect of the Renewal Engagement Agreement (together with the Caps) and the transactions contemplated thereunder at the GM. Voting at the GM will be conducted by poll.

A circular containing, among other things, further details of the Renewal Engagement Agreement and the Caps, the recommendation of the Independent Board Committee, a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders are expected to be despatched to the Shareholders on or around 30 May 2025.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“associate(s)” “connected person(s)”, “continuing connected transaction(s)”, “holding company” “percentage ratios”, and “subsidiary(ies)”	each has the meaning ascribed to it in the Listing Rules;
“Board”	board of Directors;
“Cap(s)”	the maximum aggregate value of the contract sum of the contracts that may be awarded by the Group to the CSCECL Group for the provision of Construction Related Services for each year/period under the Renewal Engagement Agreement;
“COHL”	China Overseas Holdings Limited, a company incorporated in Hong Kong with limited liability and the holding company of COLI;
“COLI”	China Overseas Land & Investment Limited, a company incorporated in Hong Kong with limited liability and whose shares are listed on the Main Board of the Stock Exchange (stock code: 688), which holds approximately 39.63% of the issued share capital of the Company as at the date of this announcement;
“Company”	China Overseas Grand Oceans Group Limited, a company incorporated in Hong Kong with limited liability and whose shares are listed on the Main Board of the Stock Exchange (stock code: 81);
“Construction Related Services”	services including building design, construction, piling and foundation, building and property fitting-out work, interior decoration, installation of air-conditioning units and elevators, environmental, social and governance related consulting, etc.;

“CSCECL”	中國建築股份有限公司 (China State Construction Engineering Corporation Limited), a joint stock company incorporated in the PRC and whose shares are listed on the Shanghai Stock Exchange (Stock Code: 601668), which is an intermediate holding company of COLI;
“CSCECL Group”	CSCECL and its subsidiaries (for the purpose of this announcement, excluding COHL, COLI, China State Construction International Holdings Limited and China Overseas Property Holdings Limited, and their respective subsidiaries) from time to time;
“Director(s)”	the director(s) of the Company;
“Existing Engagement Agreement”	the engagement agreement entered into between the Company and CSCECL on 18 May 2022 in respect of the engagement of the CSCECL Group as construction contractor for the Group’s construction works in the PRC from time to time upon successful tender(s) of the CSCECL Group during the period from 1 July 2022 to 30 June 2025 subject to the caps set out therein;
“GM”	the general meeting of the Company to be held and convened to consider and, if thought fit, approve the the Renewal Engagement Agreement (together with the Caps) and the transactions contemplated thereunder;
“Group”	the Company and its subsidiaries from time to time;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	the independent board committee of the Company comprising all the independent non-executive Directors to advise the Independent Shareholders in respect of the Renewal Engagement Agreement (together with the Caps) and the transactions contemplated thereunder;
“Independent Financial Adviser” or “Maxa Capital”	Maxa Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Renewal Engagement Agreement (together with the Caps) and the transactions contemplated thereunder;

“Independent Shareholders”	Shareholders who are not required to abstain from voting at the GM to approve the Renewal Engagement Agreement (together with the Caps) and the transactions contemplated thereunder under the Listing Rules;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China, but for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan;
“Renewal Engagement Agreement”	the engagement agreement entered into between the Company and CSCECL on 9 May 2025 in respect of the engagement of the CSCECL Group as contractor for the Group’s Construction Related Services in the PRC from time to time upon successful tender(s) of the CSCECL Group during the period from 1 July 2025 to 30 June 2028 subject to the Caps set out therein;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	the shareholder(s) of the Company from time to time;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

By Order of the Board
China Overseas Grand Oceans Group Limited
Zhuang Yong
Chairman and Executive Director

Hong Kong, 9 May 2025

As at the date of this announcement, the Board comprises eight Directors, of which three are executive Directors, namely Mr. Zhuang Yong, Mr. Yang Lin and Mr. Zhou Hancheng; two are non-executive Directors, namely Mr. Billy Yung Kwok Kee and Ms. Liu Ping; and three are independent non-executive Directors, namely Dr. Timpson Chung Shui Ming, Mr. Jeffrey Lam Kin Fung and Mr. Andrew Fan Chun Wah.