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中海物業

CHINA OVERSEAS PROPERTY

CHINA OVERSEAS PROPERTY HOLDINGS LIMITED

中海物業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2669)

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS
IN RELATION TO
THE PROVISION OF CERTAIN SERVICES
WITH COLI, COGO, CSC AND CSCEC**

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

1. COLI Services Transactions

Reference is made to the announcement issued by the Company on 20 October 2017 relating to, among other things, the Previous COLI Target Services Agreement and the Previous COLI Services Agreement, each of which was entered into between the Company and COLI and will expire on 30 June 2020.

The Directors expect that the Group will continue to participate from time to time in competitive tender to provide the Services (which will be expanded to include gardening, interior fine finishing and vetting of building plans) to COLI Group in respect of the Properties owned by COLI Group (which will be expanded to include property development projects owned by COLI Group in the PRC, Hong Kong, Macau and other locations). In this connection, on 28 April 2020, the Company and COLI entered into the COLI Services Agreement for a term of three years commencing from 1 July 2020 and ending on 30 June 2023 (both dates inclusive), subject to the COLI Services Caps.

2. COGO Services Transactions

Reference is made to the announcement issued by the Company on 20 October 2017 relating to, among other things, the Previous COGO Target Services Agreement and the Previous COGO Services Agreement, each of which was entered into between the Company and COGO and will expire on 30 June 2020.

The Directors expect that the Group will continue to participate from time to time in competitive tender to provide the Services (which will be expanded to include gardening, interior fine finishing and vetting of building plans) to COGO Group in respect of the Properties owned by COGO Group (which will be expanded to include properties (including residential communities, commercial properties and other properties) owned by COGO Group in the PRC, Hong Kong, Macau and other locations). In this connection, on 28 April 2020, the Company and COGO entered into the COGO Services Agreement for a term of three years commencing from 1 July 2020 and ending on 30 June 2023 (both dates inclusive), subject to the COGO Services Caps.

3. CSC Services Transactions

Reference is made to the announcement issued by the Company on 7 August 2017 relating to, among other things, the Previous CSC Services Agreement, which was entered into between the Company and CSC and will expire on 30 June 2020.

The Directors expect that the Group will continue to participate from time to time in competitive tender to provide CSC Group with the Services (which will be expanded to include gardening, interior fine finishing and vetting of building plans) in respect of residential communities, commercial properties and other properties owned by CSC Group in the PRC, Hong Kong, Macau and other locations and CSC Group's work sites in the PRC, Hong Kong and Macau. In this connection, on 28 April 2020, the Company and CSC entered into the CSC Services Agreement for a term of three years commencing from 1 July 2020 and ending on 30 June 2023 (both dates inclusive), subject to the CSC Services Caps.

4. CSCEC Services Transactions

Reference is made to the announcement issued by the Company on 7 August 2017 relating to, among other things, the Previous CSCEC Services Agreement, which was entered into between the Company and CSCEC and will expire on 30 June 2020.

The Directors expect that the Group will continue to participate from time to time in competitive tender to provide the Services (which will be expanded to include gardening, interior fine finishing and vetting of building plans) to CSCEC Group's commercial properties, residential communities and other projects in the PRC, Hong Kong, Macau and other locations. In this connection, on 28 April 2020, the Company and CSCEC entered into the CSCEC Services Agreement for a term of three years commencing from 1 July 2020 and ending on 30 June 2023 (both dates inclusive), subject to the CSCEC Services Caps.

LISTING RULES IMPLICATIONS

CSCEC is the ultimate holding company of COHL, which is the controlling shareholder of each of the Company, COLI, COGO and CSC by virtue of it being interested in approximately 61.18%, 55.99%, 38.32% and 64.66% of their respective issued share capital, respectively. Therefore, members of each of COLI Group, COGO Group, CSC Group and CSCEC Group are connected persons of the Company, and the entering into of the New Services Agreements and the Services Transactions constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the New Services Agreements were all entered into within a 12-month period, the New Services Agreements being in respect of similar transactions and having been entered into between the Company and a connected person, all of the Services Transactions are required to be aggregated pursuant to Rule 14A.81 of the Listing Rules. As the applicable percentage ratios in respect of the Services Caps in aggregate exceed 5%, the Services Transactions are subject to annual review, reporting, announcement, circular and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, to approve, among others, the New Services Agreements, the Services Transactions and the Services Caps. A circular containing, amongst others, further information on the New Services Agreements, the recommendation from the Independent Board Committee, the advice and recommendation from the Independent Financial Adviser, and a notice to convene the EGM, will be despatched to the Shareholders on or before 2 June 2020 as the Company expects additional time will be required to prepare and finalise all information contained in the circular.

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

1. COLI Services Transactions

Reference is made to the announcement issued by the Company on 20 October 2017 relating to, among other things, the Previous COLI Target Services Agreement and the Previous COLI Services Agreement, each of which was entered into between the Company and COLI and will expire on 30 June 2020.

The Directors expect that the Group will continue to participate from time to time in competitive tender to provide the Services (which will be expanded to include gardening, interior fine finishing and vetting of building plans) to COLI Group in respect of the Properties owned by COLI Group (which will be expanded to include property development projects owned by COLI Group in the PRC, Hong Kong, Macau and other locations). In this connection, on 28 April 2020, the Company and COLI entered into the COLI Services Agreement for a term of three years commencing from 1 July 2020 and ending on 30 June 2023 (both dates inclusive), subject to the COLI Services Caps.

COLI Services Agreement

The principal terms of the COLI Services Agreement are summarised as follows:

Date

28 April 2020

Parties

1. COLI; and
2. the Company.

Duration

Subject to the fulfillment of the conditions precedent to the COLI Services Agreement, the COLI Services Agreement will commence from 1 July 2020 and ending on 30 June 2023 (both dates inclusive).

Terms

Pursuant to the COLI Services Agreement, any member of the Group may provide the Services to COLI Group in respect of the Properties owned by COLI Group, subject to the COLI Services Caps.

The Group will go through a tender process before being selected and appointed as service provider for provision of the Services to COLI Group. The price and terms (including the pricing basis) of the Group's tenders submitted to COLI Group are subject to a standard and systematic tender submission procedure maintained by the Group, which applies to tenders submitted to both connected persons and independent third parties, so as to ensure that the prices and terms of the proposed tenders submitted by the Group to COLI Group are no more favourable than those submitted to independent third parties.

Further details of the standard and systematic tender submission procedure of the Group is set out in the paragraph headed "Pricing Basis for the Services Transactions" below.

Conditions Precedent

The COLI Services Transactions (together with the COLI Services Caps) are conditional upon (i) the passing of the resolution by the Independent Shareholders at the EGM approving the COLI Services Agreement (together with the COLI Services Caps) and the COLI Services Transactions, and (ii) the Company and COLI having complied with all requirements under the Listing Rules with respect to the COLI Services Transactions.

Historical/Estimated Transaction Amounts

The historical transaction amounts paid to the Group by COLI Group for each of the two years ended 31 December 2018 and 31 December 2019 and the estimated transaction amount paid to the Group by COLI Group for the half year ending 30 June 2020 (“**2020 1H**”) were/is as follows:

	For the year ended 31 December 2018	For the year ended 31 December 2019	For the half year ending 30 June 2020
Historical/Estimated Transaction Amount	HK\$443,036,000	HK\$724,947,000	HK\$314,038,000*

* The estimated transaction amount for the half year ending 30 June 2020 is derived from the actual transaction amount for the first quarter ended 31 March 2020 plus the remaining cap (i.e. 50%) for the half year ending 30 June 2020.

COLI Services Caps

The COLI Services Caps for the half year ending 31 December 2020 (“**2020 2H**”), each of the two years ending 31 December 2021 and 31 December 2022 and the half year ending 30 June 2023 (“**2023 1H**”) are as follows:

	For the half year ending 31 December 2020	For the year ending 31 December 2021	For the year ending 31 December 2022	For the half year ending 30 June 2023
COLI Services Caps	HK\$1,076,000,000	HK\$2,093,000,000	HK\$2,616,000,000	HK\$1,633,000,000

Basis of determination of COLI Services Caps

The COLI Services Cap of HK\$1,076.0 million for 2020 2H (the “**COLI 2020 2H Services Cap**”) is calculated with reference to (i) the expected demand for property management services to be rendered in 2020 2H based on the estimated GFA of new property projects (including increasing proportion of commercial buildings) expected to be developed by COLI Group, with an estimated general inflation up to 9%, mainly attributable to the expected increase in labour cost in the Mainland China, which accounts for approximately 35.5% of the total COLI 2020 2H

Services Cap, (ii) expected increase in demand for pre-delivery, move-in assistance and delivery inspection, etc. which accounts for approximately 17.2% of the total COLI 2020 2H Services Cap, (iii) expected increase in demand for engineering service with a heavy emphasis on Internet of Things (“IoT”) applications, which accounts for approximately 9% of the total COLI 2020 2H Services Cap, and (iv) the expanded scope of the Services in the Mainland China in relation to gardening, interior fine finishing and vetting of building plans, which accounts for the remaining approximate 38.3% of the total COLI 2020 2H Services Cap.

Together with the estimated COLI Services Cap for 2020 1H, the total transaction amount for 2020 (i.e. 2020 1H + 2020 2H) would be approximately HK\$1,390.0 million, representing an increase of 91.7% against that of 2019. The GFA to be under the management of the Group in 2020 is expected to be approximately 10,154,000 sq.m., (being 3,138,000 sq.m. for 2020 1H and 7,016,000 sq.m. for 2020 2H) representing an increase by 35.1% in 2020 as compared with 7,516,000 sq.m in 2019.

The COLI Services Cap of 2021 (the “**COLI 2021 Services Cap**”) is HK\$2,093.0 million which is expected to increase by 50.6% against the total transaction amount of 2020 (2020 1H + 2020 2H), having regard to (i) the expected demand for property management services to be rendered in 2021 based on the estimated GFA of new property projects (including increasing proportion of commercial buildings) expected to be developed by COLI Group, with an estimated general inflation up to 9%, mainly attributable to the expected increase in labour cost in the Mainland China, which accounts for approximately 43.9% of the total COLI 2021 Services Cap, (ii) expected increase in demand for pre-delivery, move-in assistance and delivery inspection, etc. which accounts for approximately 22.1% of the total COLI 2021 Services Cap, (iii) expected increase in demand for engineering service with a heavy emphasis on IoT applications, which accounts for approximately 7.1% of the total COLI 2021 Services Cap, and (iv) the expanded scope of the Services in the Mainland China in relation to gardening, interior fine finishing and vetting of building plans, which accounts for the remaining approximate 26.9% of the total COLI 2021 Services Cap. The GFA to be under the management of the Group in 2021 is expected to be approximately 14,459,000 sq.m., representing an increase of 42.4% in 2021 as compared with 2020’s estimate.

The COLI Services Cap of 2022 (the “**COLI 2022 Services Cap**”) is HK\$2,616.0 million which is expected to increase by 25.0% against the COLI 2021 Services Cap, having regard to (i) the expected demand for property management services to be rendered in 2022 based on the estimated GFA of new property projects (including increasing proportion of commercial buildings) expected to be developed by COLI Group, with an estimated general inflation up to 9%, mainly attributable to the expected increase in labour cost in the Mainland China, which accounts for approximately 38.7% of the total COLI 2022 Services Cap, (ii) expected increase in demand for pre-delivery, move-in assistance and delivery inspection, etc. which

accounts for approximately 21.7% of the total COLI 2022 Services Cap, (iii) expected increase in demand for engineering service with a heavy emphasis on IoT applications, which accounts for approximately 7.5% of the total COLI 2022 Services Cap, and (iv) the expanded scope of the Services in the Mainland China in relation to gardening, interior fine finishing and vetting of building plans, which accounts for the remaining approximate 32.1% of the total COLI 2022 Services Cap. The GFA to be under the management of the Group in 2022 is expected to be approximately 16,743,000 sq.m., representing an increase of 15.8% in 2022 as compared with 2021's estimate.

The COLI Services Cap of HK\$1,633.0 million for 2023 1H (the “**COLI 2023 1H Services Cap**”) is calculated with reference to (i) the expected demand for property management services to be rendered in 2023 1H based on the estimated GFA of new property projects (including increasing proportion of commercial buildings) expected to be developed by COLI Group, with an estimated general inflation up to 9%, mainly attributable to the expected increase in labour cost in the Mainland China, which accounts for approximately 37.4% of the total COLI 2023 1H Services Cap, (ii) expected increase in demand for pre-delivery, move-in assistance and delivery inspection, etc. which accounts for approximately 19.0% of the total COLI 2023 1H Services Cap, (iii) expected increase in demand for engineering service with a heavy emphasis on IoT applications, which accounts for approximately 9.1% of the total COLI 2023 1H Services Cap, and (iv) the expanded scope of the Services in the Mainland China in relation to gardening, interior fine finishing and vetting of building plans, which accounts for the remaining approximate 34.5% of the total COLI 2023 1H Services Cap. The GFA to be under the management of the Group in the half year ended 2023 is expected to be approximately 14,064,000 sq.m..

2. COGO Services Transactions

Reference is made to the announcement issued by the Company on 20 October 2017 relating to, among other things, the Previous COGO Target Services Agreement and the Previous COGO Services Agreement, each of which was entered into between the Company and COGO and will expire on 30 June 2020.

The Directors expect that the Group will continue to participate from time to time in competitive tender to provide the Services (which will be expanded to include gardening, interior fine finishing and vetting of building plans) to COGO Group in respect of the Properties owned by COGO Group (which will be expanded to include properties (including residential communities, commercial properties and other properties) owned by COGO Group in the PRC, Hong Kong, Macau and other locations). In this connection, on 28 April 2020, the Company and COGO entered into the COGO Services Agreement for a term of three years commencing from 1 July 2020 and ending on 30 June 2023 (both dates inclusive), subject to the COGO Services Caps.

COGO Services Agreement

The principal terms of the COGO Services Agreement are summarised as follows:

Date

28 April 2020

Parties

1. COGO; and
2. the Company.

Duration

Subject to the fulfillment of the conditions precedent to the COGO Services Agreement, the COGO Services Agreement will commence from 1 July 2020 and ending on 30 June 2023 (both dates inclusive).

Terms

Pursuant to the COGO Services Agreement, any member of the Group may provide the Services to COGO Group in respect of the Properties owned by COGO Group, subject to the COGO Services Caps.

The Group will go through a tender process before being selected and appointed as service provider for provision of the Services to COGO Group. The price and terms (including the pricing basis) of the Group's tenders submitted to COGO Group are subject to a standard and systematic tender submission procedure maintained by the Group, which applies to tenders submitted to both connected persons and independent third parties, so as to ensure that the prices and terms of the proposed tenders submitted by the Group to COGO Group are no more favourable than those submitted to independent third parties.

Further details of the standard and systematic tender submission procedure of the Group is set out in the paragraph headed "Pricing Basis for the Services Transactions" below.

Conditions Precedent

The COGO Services Transactions (together with the COGO Services Caps) are conditional upon (i) the passing of the resolution by the Independent Shareholders at the EGM approving the COGO Services Agreement (together with the COGO Services Caps) and the COGO Services Transactions, and (ii) the Company and COGO having complied with all requirements under the Listing Rules with respect to the COGO Services Transactions.

Historical/Estimated Transaction Amounts

The historical transaction amounts paid to the Group by COGO Group for each of the two years ended 31 December 2018 and 31 December 2019 and the estimated transaction amount paid to the Group by COGO Group for 2020 1H were/is as follows:

	For the year ended 31 December 2018	For the year ended 31 December 2019	For the half year ending 30 June 2020
Historical/Estimated Transaction Amount	HK\$59,300,000	HK\$116,017,000	HK\$54,925,000*

* The estimated transaction amount for the half year ending 30 June 2020 is derived from the actual transaction amount for the first quarter ended 31 March 2020 plus the remaining cap (i.e. 50%) for the half year ending 30 June 2020.

COGO Services Caps

The COGO Services Caps for 2020 2H, each of the two years ending 31 December 2021 and 31 December 2022 and 2023 1H are as follows:

	For the half year ending 31 December 2020	For the year ending 31 December 2021	For the year ending 31 December 2022	For the half year ending 30 June 2023
COGO Services Caps	HK\$166,000,000	HK\$321,000,000	HK\$386,000,000	HK\$224,000,000

Basis of determination of COGO Services Caps

The COGO Services Cap of HK\$166.0 million for 2020 2H (the “**COGO 2020 2H Services Cap**”) is calculated with reference to (i) the expected demand for property management services to be rendered in 2020 2H based on the estimated GFA of new property projects expected to be developed by COGO Group, with an estimated general inflation around 3% to 5%, mainly attributable to the expected increase in labour cost in third tier cities in the Mainland China, which accounts for approximately 31.3% of the total COGO 2020 2H Services Cap, (ii) expected increase in demand for pre-delivery, move-in assistance and delivery inspection, etc. which accounts for approximately 28.9% of the total COGO 2020 2H Services Cap, (iii) expected demand for engineering service which accounts for approximately 4.8% of the total COGO 2020 2H Services Cap, and (iv) the expanded scope of the Services in the Mainland China in relation to gardening, interior fine finishing and vetting of building plans, which accounts for the remaining approximate 35.0% of the total COGO 2020 2H Services Cap.

Together with the estimated COGO Services Cap for 2020 1H, the total transaction amount for 2020 (i.e. 2020 1H + 2020 2H) would be approximately HK\$220.9 million, representing an increase of 90.4% against that of 2019. The GFA to be under the management of the Group in 2020 is expected to be approximately 1,971,000 sq.m., (being 718,000 sq.m. for 2020 1H and 1,253,000 sq.m. for 2020 2H) representing an increase by 72.0% in 2020 as compared with 2019's 1,146,000 sq.m in 2019.

The COGO Services Cap of 2021 (the “**COGO 2021 Services Cap**”) is HK\$321.0 million which is expected to increase by 45.3% against the total transaction amount of 2020 (2020 1H + 2020 2H), having regard to (i) the expected demand for property management services to be rendered in 2021 based on the estimated GFA of new property projects expected to be developed by COGO Group, with an estimated general inflation around 3% to 5%, mainly attributable to the expected increase in labour cost in third tier cities in the Mainland China, which accounts for approximately 24.6% of the total COGO 2021 Services Cap, (ii) expected increase in demand for pre-delivery, move-in assistance and delivery inspection, etc. which accounts for approximately 37.1% of the total COGO 2021 Services Cap, (iii) expected demand for engineering service which accounts for approximately 4.7% of the total COGO 2021 Services Cap, and (iv) the expanded scope of the Services in the Mainland China in relation to gardening, interior fine finishing and vetting of building plans, which accounts for the remaining approximate 33.6% of the total COGO 2021 Services Cap. The GFA to be under the management of the Group in 2021 is expected to be approximately 2,454,000 sq.m., representing an increase of 24.5% in 2021 as compared with 2020's estimate.

The COGO Services Cap of 2022 (the “**COGO 2022 Services Cap**”) is HK\$386.0 million which is expected to increase by 20.2% against the COGO 2021 Services Cap, having regard to (i) the expected demand for property management services to be rendered in 2022 based on the estimated GFA of new property projects expected to be developed by COGO Group, with an estimated general inflation around 3% to 5%, mainly attributable to the expected increase in labour cost in third tier cities in the Mainland China, which accounts for approximately 20.5% of the total COGO 2022 Services Cap, (ii) expected increase in demand for pre-delivery, move-in assistance and delivery inspection, etc. which accounts for approximately 40.4% of the total COGO 2022 Services Cap, (iii) expected demand for engineering service which accounts for approximately 4.4% of the total COGO 2022 Services Cap, and (iv) the expanded scope of the Services in the Mainland China in relation to gardening, interior fine finishing and vetting of building plans, which accounts for the remaining approximate 34.7% of the total COGO 2022 Services Cap. The GFA to be under the management of the Group in 2022 is expected to be approximately 2,990,000 sq.m., representing an increase of 21.8% in 2022 as compared with 2021's estimate.

The COGO Services Cap of HK\$224.0 million for 2023 1H (the “**COGO 2023 1H Services Cap**”) is calculated with reference to (i) the expected demand for property management services to be rendered in the 2023 1H based on the estimated GFA of new property projects expected to be developed by COGO Group, with an estimated general inflation around 3% to 5%, mainly attributable to the expected increase in labour cost in third tier cities in the Mainland China, which accounts for approximately 17.4% of the total COGO 2023 1H Services Cap, (ii) expected increase in demand for pre-delivery, move-in assistance and delivery inspection, etc. which accounts for approximately 47.3% of the total COGO 2023 1H Services Cap, (iii) expected demand for engineering service which accounts for approximately 4.5% of the total COGO 2023 1H Services Cap, and (iv) the expanded scope of the Services in the Mainland China in relation to gardening, interior fine finishing and vetting of building plans, which accounts for the remaining approximate 30.8% of the total COGO 2023 1H Services Cap. The GFA to be under the management of the Group in 2023 1H is expected to be approximately 1,820,000 sq.m..

3. CSC Services Transactions

Reference is made to the announcement issued by the Company on 7 August 2017 relating to, among other things, the Previous CSC Services Agreement, which was entered into between the Company and CSC and will expire on 30 June 2020.

The Directors expect that the Group will continue to participate from time to time in competitive tender to provide CSC Group with the Services (which will be expanded to include gardening, interior fine finishing and vetting of building plans) in respect of residential communities, commercial properties and other properties owned by CSC Group in the PRC, Hong Kong, Macau and other locations and CSC Group’s work sites in the PRC, Hong Kong and Macau. In this connection, on 28 April 2020, the Company and CSC entered into the CSC Services Agreement for a term of three years commencing from 1 July 2020 and ending on 30 June 2023 (both dates inclusive), subject to the CSC Services Caps.

CSC Services Agreement

The principal terms of the CSC Services Agreement are summarised as follows:

Date

28 April 2020

Parties

1. CSC; and
2. the Company.

Duration

Subject to the fulfillment of the conditions precedent to the CSC Services Agreement, the CSC Services Agreement will commence from 1 July 2020 and ending on 30 June 2023 (both dates inclusive).

Terms

Pursuant to the CSC Services Agreement, any member of the Group may provide the Services to CSC Group in respect of residential communities, commercial properties and other properties owned by CSC Group in the PRC, Hong Kong, Macau and other locations and CSC Group's work sites in the PRC, Hong Kong and Macau, subject to the CSC Services Caps.

The Group will go through a tender process before being selected and appointed as service provider for provision of the Services to CSC Group. The price and terms (including the pricing basis) of the Group's tenders submitted to CSC Group are subject to a standard and systematic tender submission procedure maintained by the Group, which applies to tenders submitted to both connected persons and independent third parties, so as to ensure that the prices and terms of the proposed tenders submitted by the Group to CSC Group are no more favourable than those submitted to independent third parties.

Further details of the standard and systematic tender submission procedure of the Group is set out in the paragraph headed "Pricing Basis for the Services Transactions" below.

Conditions Precedent

The CSC Services Transaction (together with the CSC Services Caps) are conditional upon (i) the passing of the resolution by the Independent Shareholders at the EGM approving CSC Services Agreement (together with the CSC Services Caps) and the CSC Services Transactions, and (ii) the Company and CSC having complied with all requirements under the Listing Rules with respect to the CSC Services Transactions.

Historical/Estimated Transaction Amounts

The historical transaction amounts paid to the Group by CSC Group for each of the two years ended 31 December 2018 and 31 December 2019 and the estimated transaction amount paid to the Group by CSC Group for 2020 1H were/is as follows:

	For the year ended 31 December 2018	For the year ended 31 December 2019	For the half year ending 30 June 2020
Historical/Estimated Transaction Amount	HK\$23,440,000	HK\$31,393,000	HK\$12,493,000*

* The estimated transaction amount for the half year ending 30 June 2020 is derived from the actual transaction amount for the first quarter ended 31 March 2020 plus the remaining cap (i.e. 50%) for the half year ending 30 June 2020.

CSC Services Caps

The CSC Services Caps for 2020 2H, each of the two years ending 31 December 2021 and 31 December 2022 and 2023 1H are as follows:

	For the half year ending 31 December 2020	For the year ending 31 December 2021	For the year ending 31 December 2022	For the half year ending 30 June 2023
CSC Services Caps	HK\$118,000,000	HK\$255,000,000	HK\$356,000,000	HK\$224,000,000

Basis of determination of CSC Services Caps

The CSC Services Cap of HK\$118.0 million for 2020 2H (the “**CSC 2020 2H Services Cap**”) is calculated with reference to (i) expected increase in demand for property management services for public facility work sites of CSC Group (including Tseung Kwan O Desalination Plant and Organic Waste Treatment Facilities) in Hong Kong and Macau to be rendered in the 2020 2H which accounts for approximately 26.3% of the total CSC 2020 2H Services Cap, (ii) expected increase in demand for engineering service in Hong Kong and Macau to be rendered which accounts for approximately 28.8% of the total CSC 2020 2H Services Cap, and (iii) the expected increase in demand for property management services and gardening for Public-private-partnership (“**PPP**”) projects expected to be undertaken by CSC Group in the Mainland China located in Handan, Jiangxi, Zhejiang, Anhui and Shaanxi to be rendered in 2020 2H which accounts for approximately 44.9% of the total CSC 2020 2H Services Cap.

Together with the estimated CSC Services Cap for 2020 1H, the total transaction amount for 2020 (i.e. 2020 1H + 2020 2H) would be approximately HK\$130.5 million, representing an increase of 3.2 times against that of 2019.

The CSC Services Cap of 2021 (the “**CSC 2021 Services Cap**”) is HK\$255.0 million which is expected to increase by 95.4% against the total transaction amount of 2020 (2020 1H + 2020 2H), having regard to (i) expected increase in demand for property management services for public facility work sites of CSC Group (including Tseung Kwan O Desalination Plant and Organic Waste Treatment Facilities) in Hong Kong and Macau to be rendered in 2021 which accounts for approximately 31.8% of the total CSC 2021 Services Cap, (ii) expected increase in demand for engineering service in Hong Kong and Macau to be rendered in 2021 which accounts for approximately 27.1% of the total CSC 2021 Services Cap, and (iii) expected increase in demand for property management services and gardening for PPP projects expected to be undertaken by CSC Group in the Mainland China located in Handan, Jiangxi, Zhejiang, Anhui and Shaanxi to be rendered in 2021 which accounts for approximately 41.1% of the total CSC 2021 Services Cap.

The CSC Services Cap of 2022 (the “**CSC 2022 Services Cap**”) is HK\$356.0 million which is expected to increase by 39.6% against the CSC 2021 Services Cap, having regard to (i) expected increase in demand for property management services for public facility work sites of CSC Group (including Tseung Kwan O Desalination Plant and Organic Waste Treatment Facilities) in Hong Kong and Macau to be rendered in 2022 which accounts for approximately 30.3% of the total CSC 2022 Services Cap, (ii) expected increase in demand for engineering service in Hong Kong and Macau to be rendered in 2022 which accounts for approximately 22.8% of the total CSC 2022 Services Cap, and (iii) expected increase in demand for property management services and gardening for PPP projects expected to be undertaken by CSC Group in the Mainland China located in Handan, Jiangxi, Zhejiang, Anhui and Shaanxi to be rendered in 2022 which accounts for approximately 46.9% of the total CSC 2022 Services Cap.

The CSC Services Cap of HK\$224.0 million for 2023 1H (the “**CSC 2023 1H Services Cap**”) is calculated with reference to (i) expected increase in demand for property management services for public facility work sites of CSC Group (including Tseung Kwan O Desalination Plant and Organic Waste Treatment Facilities) in Hong Kong and Macau to be rendered in 2023 1H which accounts for approximately 25.0% of the total CSC 2023 1H Services Cap, (ii) expected increase in demand for engineering service in Hong Kong and Macau to be rendered in 2023 1H which accounts for approximately 18.3% of the total CSC 2023 1H Services Cap, and (iii) expected increase in demand for property management services and gardening for PPP projects expected to be undertaken by CSC Group in the Mainland China located in Handan, Jiangxi, Zhejiang, Anhui and Shaanxi to be rendered in the 2023 1H which accounts for approximately 56.7% of the total CSC 2023 1H Services Cap.

4. CSCEC Services Transactions

Reference is made to the announcement issued by the Company on 7 August 2017 relating to, among other things, the Previous CSCEC Services Agreement, which was entered into between the Company and CSCEC and will expire on 30 June 2020.

The Directors expect that the Group will continue to participate from time to time in competitive tender to provide the Services (which will be expanded to include gardening, interior fine finishing and vetting of building plans) to CSCEC Group's commercial properties, residential communities and other projects in the PRC, Hong Kong, Macau and other locations. In this connection, on 28 April 2020, the Company and CSCEC entered into the CSCEC Services Agreement for a term of three years commencing from 1 July 2020 and ending on 30 June 2023 (both dates inclusive), subject to the CSCEC Services Caps.

CSCEC Services Agreement

The principal terms of the CSCEC Services Agreement are summarised as follows:

Date

28 April 2020

Parties

1. CSCEC; and
2. the Company.

Duration

Subject to the fulfillment of the condition precedent to the CSCEC Services Agreement, the CSCEC Services Agreement will commence from 1 July 2020 and ending on 30 June 2023 (both dates inclusive).

Terms

Pursuant to the CSCEC Services Agreement, any member of the Group may provide the Services to CSCEC Group's residential communities, commercial properties and other projects in the PRC, Hong Kong, Macau and other locations, subject to CSCEC Services Caps.

The Group will go through a tender process before being selected and appointed as service provider for provision of the Services to CSCEC Group. The price and terms (including the pricing basis) of the Group's tenders submitted to CSCEC Group are subject to a standard and systematic tender submission procedure maintained by the Group, which applies to tenders submitted to both connected persons and independent third parties, so as to ensure that the prices and terms of the proposed tenders submitted by the Group to CSCEC Group are no more favourable than those submitted to independent third parties.

Further details of the standard and systematic tender submission procedure of the Group is set out in the paragraph headed “Pricing Basis for the Services Transactions” below.

Condition Precedent

The CSCEC Services Transactions (together with the CSCEC Services Caps) are conditional upon the passing of the resolution by the Independent Shareholders at the EGM approving the CSCEC Services Agreement (together with the CSCEC Services Caps) and the CSCEC Services Transactions.

Historical/Estimated Transaction Amounts

The historical transaction amounts paid to the Group by CSCEC Group for each of the two years ended 31 December 2018 and 31 December 2019, and the estimated transaction amount paid to the Group by CSCEC Group for 2020 1H were/is as follows:

	For the year ended 31 December 2018	For the year ended 31 December 2019	For the half year ending 30 June 2020
Historical /Estimated Transaction Amount	HK\$78,314,000	HK\$67,114,000	HK\$32,837,000*

* The estimated transaction amount for the half year ending 30 June 2020 is derived from the actual transaction amount for the first quarter ended 31 March 2020 plus revised estimates for second quarter ending 30 June 2020.

CSCEC Services Caps

The CSCEC Services Caps for 2020 2H, each of the two years ending 31 December 2021 and 31 December 2022 and 2023 1H are as follows:

	For the half year ending 31 December 2020	For the year ending 31 December 2021	For the year ending 31 December 2022	For the half year ending 30 June 2023
CSCEC Services Caps	HK\$82,000,000	HK\$221,400,000	HK\$308,400,000	HK\$168,200,000

Basis of determination of the CSCEC Services Caps

The CSCEC Services Cap of HK\$82.0 million for 2020 2H (the “**CSCEC 2020 2H Services Cap**”) is calculated with reference to (i) the expected demand for property management services to be rendered in 2020 2H based on the estimated GFA of new property projects expected to be developed by CSCEC Group, with an estimated general inflation up to 5%, mainly attributable to the expected increase in labour cost in the Mainland China, which accounts for approximately 37.7% of the total CSCEC 2020 2H Services Cap, (ii) expected increase in demand for pre-delivery, move-in assistance and delivery inspection, etc. which accounts for approximately 9.8% of the total CSCEC 2020 2H Services Cap, (iii) expected demand for engineering service which accounts for approximately 4.9% of the total CSCEC 2020 2H Services Cap, and (iv) the expanded scope of the value-added services in the Mainland China in relation to mainly gardening which accounts for the remaining approximate 47.6% of the total CSCEC 2020 2H Services Cap.

Together with the estimated CSCEC Services Cap for 2020 1H, the total transaction amount for 2020 (i.e. 2020 1H + 2020 2H) would be approximately HK\$114.8 million, representing an increase of 71.1% against that of 2019. The GFA to be under the management of the Group in 2020 is expected to be approximately 839,000 sq.m., (being 261,000 sq.m. for 2020 1H and 578,000 sq.m. for 2020 2H) representing an increase by 12.3% in 2020 as compared with 2019’s 747,000 sq.m in 2019.

The CSCEC Services Cap of 2021 (the “**CSCEC 2021 Services Cap**”) is HK\$221.4 million which is expected to increase by 92.8% against the total transaction amount of 2020 (2020 1H + 2020 2H), having regard to (i) the expected demand for property management services to be rendered in 2021 based on the estimated GFA of new property projects expected to be developed by CSCEC Group, with an estimated general inflation up to 5%, mainly attributable to the expected increase in labour cost in the Mainland China, which accounts for approximately 33.6% of the total CSCEC 2021 Services Cap, (ii) expected increase in demand for pre-delivery, move-in assistance and delivery inspection, etc. which accounts for approximately 4.1% of the total CSCEC 2021 Services Cap, (iii) expected demand for engineering service which accounts for approximately 3.6% of the total CSCEC 2021 Services Cap, and (iv) the expanded scope of the value-added services in the Mainland China in relation to mainly gardening which accounts for the remaining approximate 58.7% of the total CSCEC 2021 Services Cap. The GFA to be under the management of Group in 2021 is expected to be approximately 980,000 sq.m., representing an increase of 16.8% in 2021 as compared with 2020’s estimate.

The CSCEC Services Cap of 2022 (the “**CSCEC 2022 Services Cap**”) is HK\$308.4 million which is expected to increase by 39.3% against the CSCEC 2021 Services Cap, having regard to (i) the expected demand for property management services to be rendered in 2022 based on the estimated GFA of new property projects expected to be developed by CSCEC Group, with an estimated general inflation up to 5%, mainly attributable to the expected increase in labour cost in the Mainland China, which accounts for approximately 30.6% of the total CSCEC 2022 Services Cap, (ii) expected increase in demand for pre-delivery, move-in assistance and delivery inspection, etc. which accounts for approximately 3.0% of the total CSCEC 2022 Services Cap, (iii) expected demand for engineering service which accounts for approximately 3.2% of the total CSCEC 2022 Services Cap, and (iv) the expanded scope of the value-added services in the Mainland China in relation to mainly gardening which accounts for the remaining approximate 63.2% of the total CSCEC 2022 Services Cap. The GFA to be under the management of the Group in 2022 is expected to be approximately 1,216,000 sq.m., representing an increase of 24.1% in 2022 as compared with 2021’s estimate.

The CSCEC Services Cap of HK\$168.2 million for 2023 1H (the “**CSCEC 2023 1H Services Cap**”) is calculated with reference to (i) the expected demand for property management services to be rendered in the 2023 1H based on the estimated GFA of new property projects expected to be developed by CSCEC Group, with an estimated general inflation up to 5%, mainly attributable to the expected increase in labour cost in the Mainland China, which accounts for approximately 31.0% of the total CSCEC 2023 1H Services Cap, (ii) expected increase in demand for pre-delivery, move-in assistance and delivery inspection, etc. which accounts for approximately 3.6% of the total CSCEC 2023 1H Services Cap, (iii) expected demand for engineering service which accounts for approximately 3.6% of the total CSCEC 2023 1H Services Cap, and (iv) the expanded scope of the value-added services in the Mainland China in relation to mainly gardening which accounts for the remaining approximate 61.8% of the total CSCEC 2023 1H Services Cap. The GFA to be under the management of the Group in 2023 1H is expected to be approximately 790,000 sq.m..

PAYMENT TERMS FOR THE SERVICES TRANSACTIONS

In respect of the Services Transactions, the Group charges property management fees on a monthly basis for property management services and on a per-transaction basis for valued-added services and on such payment terms prescribed under the terms of the specific tender or contract.

PRICING BASIS FOR THE SERVICES TRANSACTIONS

In respect of the Services Transactions, the price and terms (including the pricing basis) of the Group's tenders submitted to COLI Group, COGO Group, CSC Group and CSCEC Group are subject to the standard and systematic tender submission procedure maintained by the Group, which applies to tenders submitted to both connected persons and independent third parties.

The procedure involves (i) receiving invitation to tender; (ii) initial assessment of tender documents; (iii) preparation of property management proposal, cost estimation and pricing; (iv) preparation for tender report, internal evaluation and approval of the tender report; and (v) tender submission.

The internal evaluation and approval of tender will be conducted by the head of the relevant business unit or subsidiary of the Group. All personnel of the Group involved in the evaluation and tender procedure are independent of COLI Group, COGO Group, CSC Group and CSCEC Group for property management services and valued-added services. In particular:

- (a) for property management services, as part of the project evaluation and tender procedure, where relevant, (i) personnel from various departments are involved at different stages of the procedures, including the business operation, quality management and market development departments; (ii) in evaluating projects before the submission of tenders, the Company would assess, among other things, the tender invitation document, the relevant market information, the property management project implementation plan, the associated costs and labour to be employed and the expected profitability; (iii) the pricing guidelines set by the Group involve (a) costs assessment, which makes references to factors including, among others, the costs of premises and facilities cleaning and maintenance, energy consumption, security management, labour requirement and salaries and tax obligations, etc.; and (b) market comparison with similar properties in nearby areas; and (iv) there is a minimum profitability requirement for engaging in property management projects (i.e. the estimated revenue must exceed the estimated direct cost); and

- (b) for valued-added services, as part of the project evaluation and tender procedures, where relevant, (i) personnel from various departments are involved at different stages of the procedures, including the business operation (such as the intelligence and research department, repair and maintenance department and the elevator department), cost management department, market departments and the relevant general manager; (ii) in evaluating projects before the submission of tenders, the Company would assess, among other things, the project particulars, implementation strategy, cost estimation, and the reasonability and feasibility of the proposed quotation; and (iii) there is a minimum profitability requirement for the provision of services (i.e. the estimated revenue must exceed the estimated direct cost).

The pricing of the Services is based on a number of factors, including (i) estimated expenses, based on factors including the scope and quality of the services required; (ii) the classifications, types and locations of the properties, projects or work sites; (iii) the pricing for comparable properties, projects or work sites; (iv) the local government's guidance price on fees, if any; and (v) the prevailing market rate, which is determined with reference to the Group's market intelligence and the pricing of the Group's provision of services to independent third parties.

According to the Notice of the National Development and Reform Commission ("NDRC") on the Proposals of Lifting the Control of Some Service Prices (《國家發展改革委關於放開部分服務價格意見的通知》) (Fa Gai Jia Ge 2014 No. 2755), which was promulgated by the NDRC and came into effect on 17 December 2014, as for relevant service prices which meet competitive conditions, the competent pricing authorities of each province, autonomous region and municipality directly under the central government shall carry out relevant procedures, and lift price control, including the property service prices of non-public housing. As at the date of this announcement, there was no further update of notice in its website.

Annual review of the aforesaid internal procedures and pricing policies (including the pricing guidelines) will be conducted internally and by the Independent Non-executive Directors and the Company's auditors to ensure that the above procedures have been complied with.

In view of the above pricing basis and policy, the Directors (including the Independent Non-executive Directors) consider that the pricing in respect of the Services Transactions are on normal commercial terms, fair and reasonable and not more favourable than the terms offered by the Group to independent third parties.

REASONS FOR AND BENEFITS OF RENEWAL OF THE CONTINUING CONNECTED TRANSACTIONS

The Group is one of the leading property management companies in the PRC with operations also covering Hong Kong and Macau and is principally engaged in the provision of property management services, value-added services and car parking spaces trading business.

Each of COLI Group, COGO Group, CSC Group and CSCEC Group owned or held property development projects, properties (including residential communities, commercial properties and other properties) and/or work sites in the PRC, Hong Kong, Macau and/or other locations that may require property management services and valued-added services provided by the Group from time to time. By entering into each of the New Services Agreements, the Group will be able to continue to maintain and expand its revenue generating sources and thereby generate stable income and maximise its profit.

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 New Services Agreements, their respective terms and the Services Transactions (including each of the Services Caps) are on normal commercial terms, were entered into in the ordinary and usual course of business of the Group, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE PARTIES

The Group is principally engaged in property management services, value-added services and car parking spaces trading business.

COLI Group is principally engaged in the business of property development and investment, and other operations.

COGO Group is principally engaged in property investment and development, property leasing and investment holding.

CSC Group is principally engaged in building construction, civil engineering works, electrical and mechanical works, infrastructure investment and project consultancy business.

CSCEC Group is a conglomerate principally engaged in building construction, international contracting, real estate development and investment, infrastructure construction and investment and design and prospecting.

LISTING RULES IMPLICATIONS

CSCEC is the ultimate holding company of COHL, which is the controlling shareholder of each of the Company, COLI, COGO and CSC by virtue of it being interested in approximately 61.18%, 55.99%, 38.32% and 64.66% of their respective issued share capital, respectively. Therefore, members of each of COLI Group, COGO Group, CSC Group and CSCEC Group are connected persons of the Company, and the entering into of the New Services Agreement and the Services Transactions constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the New Services Agreements were all entered into within a 12-month period, the New Services Agreements being in respect of similar transactions and having been entered into between the Company and a connected person, all of the Services Transactions are required to be aggregated pursuant to Rule 14A.81 of the Listing Rules. As the applicable percentage ratios in respect of the Services Caps in aggregate exceed 5%, the Services Transactions are subject to annual review, reporting, announcement, circular and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

The Independent Board Committee, comprising Mr. Yung, Wing Ki Samuel, Mr. So, Gregory Kam Leung and Mr. Lim, Wan Fung Bernard Vincent, all being Independent Non-executive Directors, has been established to advise the Independent Shareholders in respect of the New Services Agreements, the Services Transactions and the Services Caps. Opus Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the New Services Agreements, the Services Transactions and the Services Caps.

The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, to approve, among others, the New Services Agreements, the Services Transactions and the Services Caps. Voting at the EGM will be conducted by poll and CSCEC and its associates, together holding 2,011,041,060 Shares of the Company representing approximately 61.18% interest in the Company, will abstain from voting at the EGM on the resolutions in respect of the New Services Agreements, the Services Transactions and the Services Caps.

As none of the Directors has any material interest in the Services Transactions, none of them is required to abstain from voting on the resolutions passed by the Board approving the New Services Agreements and the Services Transactions (together with Services Caps).

A circular containing, amongst others, further information on the New Services Agreements, the recommendation from the Independent Board Committee, the advice and recommendation from the Independent Financial Adviser, and a notice to convene the EGM, will be despatched to the Shareholders on or before 2 June 2020 as the Company expects additional time will be required to prepare and finalise all information contained in the circular.

Shareholders should note that the Services Caps represent the best estimates by the Directors of the amounts of the relevant transactions based on the information currently available. The Services Caps bear no direct relationship to, nor should be taken to have any direct bearing to the Group's financial or potential financial performance.

DEFINITIONS

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

“Acquired Projects”	certain property development projects in several emerging third tier cities in the PRC which COGO Group acquired from COLI Group in December 2016 and which were not managed by any member of the Group at the time of entering into the Previous COGO Target Services Agreement
“associate(s)”, “connected person(s)”, “controlling shareholder”, “holding company”, “percentage ratios” and “subsidiary(ies)”	each has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“CITIC Real Estate Group”	中信物業服務有限公司 (CITIC Property Service Company Limited*) (being a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company) and its subsidiaries from time to time

“COGO”	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)
“COGO Group”	COGO and its subsidiaries (excluding subsidiary(ies) listed on any stock exchange) from time to time
“COGO Services Agreement”	the framework agreement dated 28 April 2020 entered into between COGO and the Company in respect of the provision of the Services by the Group to COGO Group in respect of the Properties owned by COGO Group
“COGO Services Cap(s)”	the maximum total amount(s) payable for the Services by COGO Group to the Group for the relevant year(s)/ period(s) under the COGO Services Agreement
“COGO Services Transactions”	the transactions contemplated under the COGO Services Agreement
“COHL”	China Overseas Holdings Limited, a company incorporated in Hong Kong with limited liability, and a controlling shareholder of the Company
“COHL Group”	COHL and its subsidiaries (excluding subsidiary(ies) listed on any stock exchange) from time to time
“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)
“COLI Group”	COLI and its subsidiaries (excluding subsidiary(ies) listed on any stock exchange) from time to time
“COLI Services Agreement”	the framework agreement dated 28 April 2020 entered into between COLI and the Company in respect of the provision of the Services by the Group to COLI Group in respect of the Properties owned by COLI Group
“COLI Services Cap(s)”	the maximum total amount(s) payable for the Services by COLI Group to the Group for the relevant year(s)/ period(s) under the COLI Services Agreement

“COLI Services Transactions”	the transactions contemplated under the COLI Services Agreement
“Company”	China Overseas Property Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 2669)
“CSC”	China State Construction International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Main Board of the Stock Exchange (stock code: 3311)
“CSC Group”	CSC and its subsidiaries (excluding subsidiary(ies) listed on any stock exchange) from time to time
“CSC Services Agreement”	the framework agreement dated 28 April 2020 entered into between CSC and the Company in respect of the provision of the Services by the Group to CSC Group’s residential communities, commercial properties and other properties in the PRC, Hong Kong, Macau and other locations and CSC Group’s work sites in the PRC, Hong Kong and Macau
“CSC Services Cap(s)”	the maximum total amount(s) payable for the Services by CSC Group to the Group for the relevant year(s)/ period(s) under the CSC Services Agreement
“CSC Services Transactions”	the transactions contemplated under the CSC Services Agreement
“CSCEC”	中國建築集團有限公司 (China State Construction Engineering Corporation), a state-owned corporation organised and existing under the laws of the PRC, and the ultimate holding company of the Company
“CSCEC Group”	CSCEC and its subsidiaries (excluding subsidiary(ies) listed on any stock exchange but including CSCECL Group and COHL Group) from time to time

“CSCEC Services Agreement”	the framework agreement dated 28 April 2020 entered into between CSCEC and the Company in respect of the provision of the Services by the Group to CSCEC Group’s residential communities, commercial properties and other projects in the PRC, Hong Kong, Macau and other locations
“CSCEC Services Cap(s)”	the maximum total amount(s) payable for the Services by CSCEC Group to the Group for the relevant year(s)/ period(s) under the CSCEC Services Agreement
“CSCEC Services Transactions”	the transactions contemplated under the CSCEC Services Agreement
“CSCECL”	中國建築股份有限公司(China State Construction Engineering Corporation Limited), a company established in the PRC whose shares are listed on the Shanghai Stock Exchange (stock code: 601668), a controlling shareholder of the Company and a non-wholly owned subsidiary of CSCEC
“CSCECL Group”	CSCECL and its subsidiaries (excluding subsidiary(ies) listed on any stock exchange but including COHL Group) from time to time
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of the Independent Shareholders to consider and approve, among other things, the New Services Agreements, the Services Transactions and the Services Caps
“GFA”	gross floor area
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Board Committee”	the independent committee of the Board, comprising all the Independent Non-executive Directors, which has been established to make recommendations to the Independent Shareholders in respect of the New Services Agreements, the Services Transactions and the Services Caps
“Independent Financial Adviser”	Opus Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the New Services Agreement, the Services Transactions and the Services Caps
“Independent Shareholders”	the Shareholders other than CSCEC and its associates
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“Mainland China” or “PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
“New Services Agreements”	the COLI Services Agreement, the COGO Services Agreement, the CSC Services Agreement and the CSCEC Services Agreement
“Previous COGO Services Agreement”	the framework agreement dated 20 October 2017 entered into between COGO and the Company in respect of the provision of the Services (excluding those in relation to gardening, interior fine finishing and vetting of building plans) by the Group to COGO Group in respect of property development projects in the PRC, Hong Kong, Macau and other locations (excluding the Acquired Projects)
“Previous COGO Target Services Agreement”	the framework agreement dated 20 October 2017 entered into between COGO and the Company in respect of the provision of the Services (excluding those in relation to gardening, interior fine finishing and vetting of building plans) by the Group to COGO Group in respect of the Acquired Projects

“Previous COLI Services Agreement”	the framework agreement dated 20 October 2017 entered into between COLI and the Company in respect of the provision of the Services (excluding those in relation to gardening, interior fine finishing and vetting of building plans) by the Group (except the CITIC Real Estate Group) to COLI Group in respect of residential communities, commercial properties and other properties owned by COLI Group in the PRC, Hong Kong, Macau and other locations
“Previous COLI Target Services Agreement”	the framework agreement dated 20 October 2017 entered into between COLI and the Company in respect of the provision of the Services (excluding those in relation to gardening, interior fine finishing and vetting of building plans) by the CITIC Real Estate Group to COLI Group in respect of residential communities, commercial properties and other properties owned by COLI Group in the PRC
“Previous CSC Services Agreement”	the framework agreement dated 7 August 2017 entered into between CSC and the Company in respect of the provision of the Services (excluding those in relation to gardening, interior fine finishing and vetting of building plans) by the Group to CSC Group’s residential communities, commercial properties and other properties in the PRC, Hong Kong, Macau and other locations and CSC Group’s work sites in the PRC, Hong Kong and Macau
“Previous CSCEC Services Agreement”	the framework agreement dated 7 August 2017 entered into between CSCEC and the Company in respect of the provision of the Services (excluding those in relation to gardening, interior fine finishing and vetting of building plans) by the Group to CSCEC Group’s residential communities, commercial properties and other projects in the PRC, Hong Kong, Macau and other locations
“Properties”	the property development projects or properties (including residential communities, commercial properties and other properties) in the PRC, Hong Kong, Macau and other locations

“Services”	the property management services and value-added services (including engineering, pre-delivery, move-in assistance, delivery inspection, engineering services quality monitoring and consulting services, as well as gardening, interior fine finishing and vetting of building plans etc.)
“Services Caps”	the COLI Services Caps, the COGO Services Caps, the CSC Services Caps and the CSCEC Services Caps
“Services Transactions”	the COLI Services Transactions, the COGO Services Transactions, the CSC Services Transactions and the CSCEC Services Transactions
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of Share(s)
“sq.m.”	square metre(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board
China Overseas Property Holdings Limited
Zhang Guiqing
Chairman and Executive Director

Hong Kong, 28 April 2020

As at the date of this announcement, the Board comprises seven Directors, of which four are Executive Directors, namely Mr. Zhang Guiqing (Chairman), Dr. Yang Ou (Chief Executive Officer), Mr. Pang Jinying (Vice President) and Mr. Kam Yuk Fai (Chief Financial Officer); and three are Independent Non-executive Directors, namely, Mr. Yung, Wing Ki Samuel, Mr. So, Gregory Kam Leung and Mr. Lim, Wan Fung Bernard Vincent.

* *For identification purpose only*