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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)

**CONNECTED TRANSACTION
IN RELATION TO
LOAN AGREEMENT**

Reference is made to the circular of the Company dated 24 November 2017, relating to, among other things, the Previous Loan Agreement entered into between COPL Shantou (a wholly-owned subsidiary of the Company) and COGO Shantou (a wholly-owned subsidiary of COGO) in relation to the granting of a loan in the amount of approximately RMB75.0 million bearing interest of 4.75% per annum by COPL Shantou to COGO Shantou, which will expire on 18 October 2020.

In this connection, the Board wishes to announce that on 12 October 2020, COPL Shantou entered into the Loan Agreement with COGO Shantou, pursuant to which COPL Shantou agreed to renew the Loan of approximately RMB75.0 million (equivalent to approximately HK\$86.3 million) to COGO Shantou for a term of three years commencing from 19 October 2020 and expiring on 18 October 2023 (both dates inclusive).

CSCEC is the ultimate holding company of COHL, which is the controlling shareholder of each of the Company and COGO by virtue of it being interested in approximately 61.18% and 38.32% of their respective issued share capital, respectively. Therefore, COGO Shantou, being a subsidiary of COGO, is a connected person of the Company, and the entering into of the Loan Agreement and the transactions contemplated thereunder constitute a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the highest percentage ratio in respect of the Loan Agreement and the transactions contemplated thereunder exceeds 0.1% but is less than 5%, the entering into of the Loan Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Reference is made to the circular of the Company dated 24 November 2017, relating to, among other things, the Previous Loan Agreement entered into between COPL Shantou (a wholly-owned subsidiary of the Company) and COGO Shantou (a wholly-owned subsidiary of COGO) in relation to the granting of a loan in the amount of approximately RMB75.0 million bearing interest of 4.75% per annum by COPL Shantou to COGO Shantou, which will expire on 18 October 2020.

In this connection, the Board wishes to announce that on 12 October 2020, COPL Shantou entered into the Loan Agreement with COGO Shantou, pursuant to which COPL Shantou agreed to renew the Loan of approximately RMB75.0 million (equivalent to approximately HK\$86.3 million) to COGO Shantou for a term of three years commencing from 19 October 2020 and expiring on 18 October 2023 (both dates inclusive).

THE LOAN AGREEMENT

The principal terms of the Loan Agreement are summarised as follows:

Date

12 October 2020

Parties

- (i) COPL Shantou (as lender)
- (ii) COGO Shantou (as borrower)

Principal amount of the Loan

Approximately RMB75.0 million (equivalent to approximately HK\$86.3 million), which shall be repayable in full upon expiration of the Loan

Interest rate

4.75% per annum, which shall be payable within 10 business days of the end of each quarter

Term

Three years commencing from 19 October 2020 and expiring on 18 October 2023 (both dates inclusive)

The terms of the Loan Agreement were determined after arm's length negotiations between the parties to the Loan Agreement, with reference to prevailing market interest rates and practices.

Reasons and benefits for entering into the Loan Agreement

Taking into account uncertainties current economic, future cash need of the Group, renewal of the Loan can provide the Group a stable interest income, which is a good application for surplus cash resources.

The Directors (including all the independent non-executive Directors) consider that the Loan Agreement, its terms and the transactions contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business of the Company, fair and reasonable and in the interests of the Company and its shareholders as a whole, and the Loan will be funded by internal resources of the Group.

INFORMATION OF THE PARTIES

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.

COPL Shantou is a limited liability company established in the PRC and a wholly-owned subsidiary of the Company, and which is principally engaged in real estate management.

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

COGO Shantou is a limited liability company established in the PRC and a wholly-owned subsidiary of COGO, and which is principally engaged in property development.

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 and COGO by virtue of it being interested in approximately 61.18% and 38.32% of their respective issued share capital, respectively. Therefore, COGO Shantou, being a subsidiary of COGO, is a connected person of the Company, and the entering into of the Loan Agreement and the transactions contemplated thereunder constitute a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the highest percentage ratio in respect of the Loan Agreement and the transactions contemplated thereunder exceed 0.1% but is less than 5%, the entering into of the Loan Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

None of the Directors has any material interest in the Loan Agreement and the transactions contemplated thereunder. Save for Mr. Zhang Guiqing, who is the chairman and executive Director of the Company, director of COHL and was a director of COGO before he joined the Company on 11 February 2020, has voluntarily abstained from voting, none of the Directors have abstained from voting on the resolutions passed by the Board approving the Loan Agreement and the transactions contemplated thereunder.

DEFINITIONS

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

“Board”	the board of Directors
“COGO”	China Overseas Grand Oceans Group Limited, a company incorporated in Hong Kong with limited liability, 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 Shantou”	中海宏洋地產汕頭投資有限公司 (China Overseas Grand Oceans Real Estate Shantou Investment Co., Ltd.*), a limited liability company established in the PRC, and a wholly-owned subsidiary of COGO
“COHL”	China Overseas Holdings Limited, a company incorporated in Hong Kong with limited liability, and the controlling shareholder of each of the Company and COGO
“COHL Group”	COHL and its subsidiaries (excluding subsidiary(ies) listed on any stock exchange) from time to time
“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)

“connected person(s)”, “controlling shareholder”, “holding company”, “percentage ratio” and “subsidiary(ies)”	each has the meaning ascribed to it under the Listing Rules
“COPL Shantou”	汕頭中海物業服務有限公司(Shantou China Overseas Property Services Co., Ltd.*), a limited liability company established in the PRC, and a wholly-owned subsidiary of the Company
“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
“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
“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

“Loan”	a three-year loan in the amount of approximately RMB75.0 million (equivalent to approximately HK\$86.3 million) granted by COPL Shantou to COGO Shantou pursuant to the terms of the Loan Agreement. The amount of approximately RMB75.0 million bearing interest of 4.75% per annum was lent to COGO Shantou under the Previous Loan Agreement as disclosed in the Company’s circular dated 24 November 2017.
“Loan Agreement”	the loan agreement dated 12 October 2020 entered into between COPL Shantou and COGO Shantou in relation to the Loan
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macao Special Administrative Region of the PRC
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, Macau and Taiwan
“Previous Loan Agreement”	the previous loan agreement dated 19 October 2017 entered into between COPL Shantou and COGO Shantou in relation to the granting of a loan in the amount of approximately RMB75.0 million bearing interest of 4.75% per annum by COPL Shantou to COGO Shantou for a term of three years from 19 October 2017 to 18 October 2020
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

* *For identification purposes only*

For the purpose of this announcement and for illustrative purpose only, RMB is converted into HK\$ at the exchange rate of RMB1.00 to HK\$1.15. No representative is made that any amounts in RMB or HK\$ has been or could be converted at the above rates or at any other rates.

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

Hong Kong, 12 October 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.