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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in China Overseas Grand Oceans Group Limited, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

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

No Shareholder receiving a copy of this circular and/or an Election Form in any territory outside Hong Kong may treat the same as an invitation to elect for Scrip Dividend Shares unless in that relevant territory such invitation could lawfully be made to that Shareholder without China Overseas Grand Oceans Group Limited having to comply with any registration or other legal requirements, governmental or regulatory procedures or any other similar formalities. It is the responsibility of any Shareholder outside Hong Kong who wishes to receive Scrip Dividend Shares under the Scrip Dividend Scheme to comply with the laws of the relevant jurisdictions including any applicable procedures or any other similar formalities.

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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)**

**SCRIP DIVIDEND SCHEME  
IN RELATION TO THE FINAL DIVIDEND  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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## SUMMARY TIMETABLE

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Record Date .....Friday, 24 June 2022

Latest time for submission of the Election Form .....4:30 p.m. on  
Thursday, 14 July 2022

Expected date for the despatch of dividend warrant for  
cash dividend and share certificate for the Scrip

Dividend Shares .....Tuesday, 16 August 2022

Expected commencement date of dealing in the

Scrip Dividend Shares.....Wednesday, 17 August 2022

*Notes:*

1. All references to times are Hong Kong time.
2. If a tropical cyclone warning signal number 8 or above, or “extreme conditions” caused by a super typhoon, or a “black” rainstorm warning signal is/are in force in Hong Kong at any time prior to 4:30 p.m. on Thursday, 14 July 2022, the latest time for submission of election forms will be extended. Further information is set out in the “Letter from the Board”.

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## DEFINITIONS

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

“Board”	the board of Directors;
“Company”	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);
“Director(s)”	the director(s) of the Company;
“Election Form”	the form of election in relation to the Scrip Dividend Scheme;
“Eligible Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date;
“Final Dividend”	the final dividend of HK\$0.30 per Share for the year ended 31 December 2021 with a scrip alternative payable on or about Tuesday, 16 August 2022 to the Shareholders whose names appeared on the register of members of the Company on the Record Date;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Latest Practicable Date”	Friday, 24 June 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business at 4:30 p.m. on the Record Date and whose address(es) as shown on such register is(are) outside Hong Kong;
“PRC”	the People’s Republic of China, but for the purpose of this circular excluding Hong Kong, the Macao Special Administrative Region and Taiwan;

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## DEFINITIONS

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“Record Date”	Friday, 24 June 2022, being the date for determining the entitlement in Scrip Dividend Shares;
“Scrip Dividend Scheme”	the scheme in relation to the Final Dividend which offers the Eligible Shareholders an alternative to elect to receive such dividend wholly or in part by the allotment of new Shares credited as fully paid in lieu of cash;
“Scrip Dividend Shares”	new Shares to be issued under the Scrip Dividend Scheme;
“Share(s)”	ordinary share(s) in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

*Should there be any discrepancy between English and Chinese versions of this circular, the English version shall prevail.*

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## LETTER FROM THE BOARD

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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)

*Executive Directors:*

Mr. ZHUANG Yong (*Chairman of the Board*)  
Mr. YANG Lin (*Chief Executive Officer*)  
Mr. WANG Man Kwan, Paul (*Chief Financial Officer*)

*Registered office:*

Suites 701-702, 7F.  
Three Pacific Place  
1 Queen's Road East  
Hong Kong

*Non-executive Directors:*

Mr. GUO Guanghui  
Mr. YUNG Kwok Kee, Billy (*Vice-Chairman of the Board*)

*Independent Non-executive Directors:*

Dr. CHUNG Shui Ming, Timpson  
Mr. LAM Kin Fung, Jeffrey  
Mr. LO Yiu Ching, Dantes

28 June 2022

*To the Shareholders*

Dear Sir/Madam,

### **SCRIP DIVIDEND SCHEME IN RELATION TO THE FINAL DIVIDEND FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **INTRODUCTION**

On 23 March 2022, the Company announced that the Board proposed the payment of the Final Dividend to the Shareholders whose names appeared on the register of members of the Company on 24 June 2022. It was also announced that the Eligible Shareholders will be given an option to elect to receive the Final Dividend in cash or an allotment of new and fully paid Shares in lieu of cash in whole or in part under the Scrip Dividend Scheme. At the annual general meeting of the Company held on 20 June 2022, the declaration of the Final Dividend was approved by the Shareholders.

As announced on 23 March 2022, the register of members of the Company was closed on 24 June 2022 in order to determine entitlement to the Final Dividend and all transfers, accompanied by the relevant share certificates, had to be lodged with the Company's share registrar by 4:30 p.m. on 23 June 2022.

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## LETTER FROM THE BOARD

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The purpose of this circular is to set out the procedures and conditions which apply in relation to the Scrip Dividend Scheme and the action which should be taken by the Eligible Shareholders if they wish to participate in the Scrip Dividend Scheme.

### PARTICULARS OF THE SCRIP DIVIDEND SCHEME

Eligible Shareholders may elect to receive the Final Dividend in one of the following ways:

- (a) wholly in cash at HK\$0.30 per Share; or
- (b) wholly by way of an allotment of the Scrip Dividend Shares credited as fully paid and having an aggregate market value (as described below) equal to the total amount of the Final Dividend, save for any adjustment for fractions; or
- (c) partly in cash and partly in the form of Scrip Dividend Shares.

The Scrip Dividend Shares will be allotted by way of capitalisation of profits to the Eligible Shareholders electing to receive new Shares in lieu of cash dividend and will rank *pari passu* in all respects with the existing issued Shares, and will rank in full for all future dividends and distribution which may be declared, made or paid after the date of issue thereof. The Scrip Dividend Shares, when allotted, are not renounceable. No new class of Shares will be issued under the Scrip Dividend Scheme.

### BASIS OF ALLOTMENT OF THE SCRIP DIVIDEND SHARES

For the purpose of calculating the number of Scrip Dividend Shares to be allotted, the market value of the Scrip Dividend Shares has been set at HK\$3.984 per Share, which is equivalent to the average of the closing prices of the Shares (the “**Average Closing Price**”) on the Stock Exchange for the five consecutive trading days from 20 June 2022 to 24 June 2022 (both days inclusive). The number of Scrip Dividend Shares which an Eligible Shareholder will be entitled to in respect of his/her pro-rata entitlement to the number of the existing Shares registered in his/her name as at the Record Date will be calculated as follows:

$$\begin{array}{l} \text{Number of Scrip} \\ \text{Dividend Shares to} \\ \text{be received} \end{array} = \begin{array}{l} \text{Number of Shares} \\ \text{held on the Record Date} \end{array} \times \frac{\begin{array}{l} \text{HK\$0.30} \\ \text{(Final Dividend per Share)} \end{array}}{\begin{array}{l} \text{HK\$3.984} \\ \text{(Average Closing Price)} \end{array}}$$

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## LETTER FROM THE BOARD

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If all Eligible Shareholders elect to receive their Final Dividend entitlements in Scrip Dividend Shares, based on 3,423,359,841 Shares in issue on the Record Date, not more than 257,783,120 Scrip Dividend Shares will be issued under the Scrip Dividend Scheme. The number of Scrip Dividend Shares to be received by each Eligible Shareholder pursuant to his/her election will be rounded down to the nearest whole number of Scrip Dividend Share. No fractional shares will be issued under the Scrip Dividend Scheme. Fractional entitlements to Shares will not be issued but will be aggregated and sold for the benefit of the Company.

**The last day on which Eligible Shareholders will be entitled to elect their form of dividend is 14 July 2022.** The Election Form to receive the Scrip Dividend Shares must be submitted to the Company's share registrar, Tricor Standard Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on 14 July 2022.

**The latest time for submission of Election Forms will not be valid if a tropical cyclone warning signal no. 8 or above, or "extreme conditions" caused by a super typhoon, or a "black" rainstorm warning is:**

- a. **in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on 14 July 2022. Instead the deadline for the submission of Election Forms will be 5:00 p.m. on the same business day;**
- b. **in force in Hong Kong at any local time between 12:00 noon and 4:30 p.m. on 14 July 2022. Instead the deadline for the submission of Election Forms will be rescheduled to 4:30 p.m. on the next immediate business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:30 p.m.**

### ADVANTAGES OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme will give the Shareholders an opportunity to increase their investment in the Company at market value without incurring brokerage fees, stamp duty and related dealing costs. The Scrip Dividend Scheme will also be to the advantage of the Company because, to the extent that the Shareholders elect to receive the Scrip Dividend Shares, in whole or in part in lieu of a cash dividend, such cash which would otherwise have been paid to the Shareholders will be retained for use as general working capital by the Company.

### CONDITION OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme is conditional upon the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Scrip Dividend Shares to be issued in respect of the Final Dividend.

If the condition is not satisfied, the Scrip Dividend Scheme will not become effective and the Election Form will be void. The Final Dividend will then be paid wholly in cash.



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## LETTER FROM THE BOARD

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### EFFECT OF THE SCRIP DIVIDEND SCHEME

As at the close of business on the Record Date, the number of issued Shares of the Company was 3,423,359,841 Shares. If no elections for the Scrip Dividend Shares are received, the total cash dividend payable by the Company will be approximately HK\$1,027,008,000. If all Eligible Shareholders elect to receive their entitlement in Scrip Dividend Shares, not more than 257,783,120 Scrip Dividend Shares will be issued under the Scrip Dividend Scheme, representing approximately 7.53% of the existing issued share capital of the Company as at the Latest Practicable Date and approximately 7.00% of the issued share capital of the Company as enlarged after the issue of such Scrip Dividend Shares.

Shareholders should note that the receipt of the Scrip Dividend Shares may give rise to notification obligations under Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). **Shareholders who are in any doubt as to how these provisions may affect them are recommended to seek their own professional advice. Shareholders who are in any doubt as to their taxation position are also recommended to seek their own professional advice.**

### ELECTION FORM

The Election Form for Eligible Shareholders to elect to receive the Final Dividend in Scrip Dividend Shares is enclosed with this circular.

**If you elect to receive your Final Dividend wholly in cash, you do not need to take any action.**

**If you elect to receive Scrip Dividend Shares, or partly in cash and partly in the form of Scrip Dividend Shares, you should use the enclosed Election Form.** If you sign the Election Form but do not specify the number of Shares in respect of which you wish to receive Scrip Dividend Shares, or if you elect to receive Scrip Dividend Shares in respect of a greater number of Shares than your registered holding on the Record Date, you will be deemed to have exercised your election to receive Scrip Dividend Shares in respect of all the Shares of which you were then registered as holder.

**Any Shareholder who wishes to elect to receive Scrip Dividend Shares in lieu of cash in respect of the Final Dividend entitlement, either in whole or in part, must complete the enclosed Election Form in accordance with the instructions printed thereon and return it to the Company's share registrar, Tricor Standard Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on 14 July 2022.**

**Failure to complete and return the Election Form in accordance with the instructions printed thereon will result in the relevant Eligible Shareholder's Final Dividend being paid wholly in the form of cash. No acknowledgement of receipt of the Election Form will be issued. No elections in respect of the Final Dividend may, after the relevant Election Forms are signed and returned to the Company's share registrar, be in any way withdrawn, revoked, superseded or altered.**

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## LETTER FROM THE BOARD

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### OVERSEAS SHAREHOLDERS

None of this circular, the Election Form nor the Scrip Dividend Shares will be registered or filed under the securities laws or equivalent legislation of any jurisdiction other than, if applicable, Hong Kong.

The participation in the Scrip Dividend Scheme by Overseas Shareholders may be affected by the laws of their relevant jurisdictions. Receipt of this circular and/or the Election Form will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this circular and/or the Election Form will be deemed to have been sent for information only. This circular and the Election Form do not constitute or form part of an offer or solicitation of any offer to buy securities of the Company, and the Election Form is non-transferable. Accordingly, the Scrip Dividend Scheme will not be made available directly or indirectly, and neither this circular and/or the Election Form nor any other material or advertisement in connection with the Scrip Dividend Scheme may be distributed or published, in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. It is the responsibility of Overseas Shareholders who wish to receive Scrip Dividend Shares under the Scrip Dividend Scheme to comply with the laws of the relevant jurisdictions.

Based on the register of members of the Company as at the Record Date, there were three Overseas Shareholders whose registered addresses shown in the register of members of the Company were located in the United Kingdom, who held 10,350 Shares in aggregate (representing approximately 0.0003% of the total issued Shares). It should be noted that this circular and the Scrip Dividend Scheme are made available to Shareholders in the United Kingdom pursuant to the exemption from the requirement to produce a prospectus in the United Kingdom set out under Article 1(4)(h) of Regulation (EU) 2017/1129, as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018. In addition, the communication of this circular and any other documents or materials relating to it have not been approved by an authorised person for the purposes of section 21 of the UK Financial Services and Markets Act 2000 (“**FSMA**”). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials is exempt from the restriction on financial promotions under section 21 of FSMA on the basis that it is only directed at and may be communicated to those persons who are existing members or creditors of the Company or other persons within article 43 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended).

After making enquiries with the Company’s overseas legal adviser regarding the legal restrictions and requirements of the regulatory body or stock exchange in the United Kingdom to extend the Scrip Dividend Scheme to such Overseas Shareholders in the United Kingdom in accordance with Rule 13.36(2) of the Listing Rules, the Directors were advised that there is no onerous requirement or restriction on extending the Scrip Dividend Scheme to such Overseas Shareholders in the United Kingdom to participate in the Scrip Dividend Scheme.

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## LETTER FROM THE BOARD

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### PRC SOUTHBOUND TRADING INVESTORS

According to the “Stock Connect Shareholding Search” available on the Stock Exchange’s website (<https://www.hkexnews.hk>), as at the Record Date, 270,701,820 Shares of the Company, representing approximately 7.90% of the total issued Shares of the Company, were held by China Securities Depository and Clearing Corporation Limited (“ChinaClear”). Pursuant to the Frequently Asked Questions Series 29 issued by the Stock Exchange on 17 November 2014 and updated on 4 November 2016 and 13 July 2018 on the interpretation of the Listing Rules, investors from the PRC who hold shares of the Company through ChinaClear as nominee under Shanghai Connect and Shenzhen Connect (the “**PRC Southbound Trading Investors**”) can participate in the Scrip Dividend Scheme through ChinaClear. ChinaClear will provide nominee services for the PRC Southbound Trading Investors to elect to receive the Scrip Dividend Shares in respect of all or part of his/her holding of Shares in accordance with the relevant laws and regulations.

The PRC Southbound Trading Investors should seek advice from their intermediary (including broker, custodian, nominee or ChinaClear participants) and/or other professional advisers for details of the logistical arrangements as required by ChinaClear, and provide instructions to such intermediary in relation to the election to receive the Scrip Dividend Shares.

**Shareholders are reminded that it is the responsibility of any Shareholder wishing to join the Scrip Dividend Scheme to satisfy himself/herself as to full observance of the laws of the relevant territory, including obtaining any governmental or other consents which may be required, complying with any other necessary formality and paying any issue, transfer or other taxes due in respect of such jurisdiction. For the avoidance of doubt, the Scrip Dividend Shares are not being offered to the public and the Election Forms are non-transferable. Overseas Shareholders who are in doubt as to their position should consult their own professional advisers without delay.**

### LISTING AND DEALINGS AND DESPATCH OF SHARE CERTIFICATES

The Scrip Dividend Scheme is conditional upon listing approval being granted by the Stock Exchange in respect of the Scrip Dividend Shares to be issued pursuant thereto. Application has been made to the Stock Exchange for the listing of, and permission to deal in, the Scrip Dividend Shares pursuant to the Scrip Dividend Scheme.

The register of members of the Company has been closed on 24 June 2022, during which no transfers of Shares were effected. The Record Date of the Scrip Dividend Scheme was 24 June 2022. Deadline for the form of election to be returned is scheduled to be 14 July 2022. It is expected that share certificates with respect to the Scrip Dividend Shares, and dividend warrants for cash entitlements, will be despatched to Shareholders at the risk of those entitled thereto on or about 16 August 2022. Dealings in the Scrip Dividend Shares are expected to commence on the Stock Exchange at 9:00 a.m. on 17 August 2022. Subject to the granting of the listing of, and permission to deal in, the Scrip Dividend Shares issued pursuant to the Scrip Dividend Scheme on the Stock Exchange, such Scrip Dividend Shares will be accepted as eligible securities by Hong Kong Securities Clearing Company Limited for deposit, clearance

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## LETTER FROM THE BOARD

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and settlement in the Central Clearing and Settlement System. Shareholders should seek the advice of their licensed securities dealer or other professional adviser for details of these settlement arrangements and how such arrangements will affect their rights and interests.

The Shares are listed on the Stock Exchange. No Shares or debt securities of the Company are listed or dealt in on any other stock exchange nor is listing or permission to deal in on any other stock exchange being or proposed to be sought.

### **RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### **RECOMMENDATION AND ADVICE**

Whether or not it is to your advantage to elect to receive cash or the Scrip Dividend Shares or a combination thereof depends upon your own individual circumstances, and the decision in this regard and all effects and consequences resulting therefrom are your sole responsibility. No financial advice is given in this circular (or any other material) in relation to the Scrip Dividend Scheme and that nothing in this circular (or any other material) should be taken to constitute a recommendation or an opinion that is intended to influence any Shareholders in making a decision to participate in the Scrip Dividend Scheme.

If you are in any doubt as to what to do, you should consult your professional advisers as to whether or not you are permitted to receive the Final Dividend in scrip form or if any government or other consent is required. Shareholders who are trustees are recommended to take professional advice as to whether the choice of the Scrip Dividend Shares is within their powers and as to its effect having regard to the terms of the relevant trust instrument.

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