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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
LEASING OF PREMISES AND
PROPERTY MANAGEMENT UTILITIES CHARGES**

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

1. COLI Leasing Transactions

Reference is made to the announcement of the Company dated 28 April 2020 relating to, among other things, the Previous COLI Leasing Agreement, which was entered into between the Company and COLI in respect of the COLI Leasing Transactions and will expire on 30 June 2023.

The Directors expect that the Group will continue to lease premises from COLI Group, the associates of COLI and their subsidiaries (excluding their respective associate(s) and subsidiaries listed on any stock exchange) from time to time. In this connection, on 28 April 2023, the Company and COLI entered into the COLI Leasing Agreement in respect of the COLI Leasing Transactions for a term of three years commencing from 1 July 2023 and ending on 30 June 2026 (both dates inclusive), subject to the COLI Leasing Caps.

2. COLI Utilities Charges Transactions

Reference is made to the announcement of the Company dated 28 April 2020 relating to, among other things, the Previous COLI Property Management Utilities Charges Agreement, which was entered into between the Company and COLI in respect of the COLI Utilities Charges Transactions and will expire on 30 June 2023.

The Directors expect that the Group will continue to consolidate and make payment of utilities charges (incurred in individual units of properties owned by COLI Group, the associates of COLI and their subsidiaries (excluding their respective associate(s) and subsidiaries listed on any stock exchange) and managed by the Group) to the landlords on behalf of the tenants of such units from time to time. In this connection, on 28 April 2023, the Company and COLI entered into the COLI Property Management Utilities Charges Agreement in respect of the COLI Utilities Charges Transactions for a term of three years commencing from 1 July 2023 and ending on 30 June 2026 (both dates inclusive), subject to the COLI Utilities Charges Caps.

3. CSC Leasing Transactions

Reference is made to the announcement of the Company dated 28 April 2020 relating to, among other things, the Previous CSC Leasing Agreement, which was entered into between the Company and CSC in respect of the CSC Leasing Transactions and will expire on 30 June 2023.

The Directors expect that the Group will continue to lease premises from CSC Group, the associates of CSC and their subsidiaries (if any) from time to time. In this connection, on 28 April 2023, the Company and CSC entered into the CSC Leasing Agreement in respect of the CSC Leasing Transactions for a term of three years commencing from 1 July 2023 and ending on 30 June 2026 (both dates inclusive), subject to the CSC Leasing Caps.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CSCEC is the ultimate holding company of COHL, which is the controlling shareholder of each of the Company, COLI and CSC by virtue of it being interested in approximately 61.18%, 56.09% and 64.81% of their respective issued share capital. Therefore, members of each of COLI Group (and the associates of COLI and their subsidiaries (excluding their respective associate(s) and subsidiaries listed on any stock exchange)) and CSC Group (and the associates of CSC and their subsidiaries (if any)) are connected persons of the Company, and the entering into of each of (a) the New Leasing Agreements and the Leasing Transactions contemplated thereunder, and (b) the COLI Property Management Utilities Charges Agreement and the COLI Utilities Charges Transactions constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the New Leasing Agreements were entered into with parties who are connected with one another within a 12-month period, and were of similar nature, all of the Leasing Transactions are required to be aggregated pursuant to Rule 14A.81 of the Listing Rules. As the highest applicable percentage ratio in respect of the Leasing Caps in aggregate is more than 0.1% but less than 5%, the Leasing Transactions are subject to annual review, reporting and announcement requirements but will be exempt from independent shareholders' approval requirement pursuant to Chapter 14A of the Listing Rules. For the avoidance of doubt, any variable amount of rents, short-term or low-value assets lease payments and other fees and expenses (if any) will be de minimis transactions and fully exempt from the requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the COLI Utilities Charges Caps is more than 0.1% but less than 5%, the COLI Utilities Charges Transactions are subject to annual review, reporting and announcement requirements but will be exempt from independent shareholders' approval requirement pursuant to Chapter 14A of the Listing Rules.

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

1. COLI Leasing Transactions

Reference is made to the announcement of the Company dated 28 April 2020 relating to, among other things, the Previous COLI Leasing Agreement, which was entered into between the Company and COLI in respect of the COLI Leasing Transactions and will expire on 30 June 2023.

The Directors expect that the Group will continue to lease premises from COLI Group, the associates of COLI and their subsidiaries (excluding their respective associate(s) and subsidiaries listed on any stock exchange) from time to time. In this connection, on 28 April 2023, the Company and COLI entered into the COLI Leasing Agreement in respect of the COLI Leasing Transactions for a term of three years commencing from 1 July 2023 and ending on 30 June 2026 (both dates inclusive), subject to the COLI Leasing Caps.

COLI Leasing Agreement

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

Date

28 April 2023

Parties

1. COLI; and
2. the Company.

Duration

The COLI Leasing Agreement will commence from 1 July 2023 and continue for the period ending on 30 June 2026 (both dates inclusive).

Terms

Pursuant to the COLI Leasing Agreement, any member of the Group and any member of COLI Group may enter into the COLI Leasing Transactions in accordance with the terms of the COLI Leasing Agreement in the ordinary and usual course of their respective businesses, on a non-exclusive basis as and when reasonably required, subject to the COLI Leasing Caps. The Group shall also ensure that all COLI Leasing Transactions will be entered into with the associates of COLI and their respective subsidiaries (excluding their respective associate(s) and subsidiaries listed on any stock exchange) on the same basis.

In respect of each particular COLI Leasing Transaction, individual written tenancy agreement may be entered into by the relevant parties, setting out other detailed terms and conditions (including but not limited to, where applicable, the term of the lease, the amounts, calculations and adjustments of rent, security deposits, air conditioning charges, management fees, promotion levies and other contributions, charges and fees, payment terms, any rent-free period, any option terms and provisions for early termination for cause or for convenience). The COLI Leasing Agreement shall prevail to the extent of any inconsistency with any such individual agreement.

Pricing basis for the COLI Leasing Transactions

The rent (exclusive of rates, government rent, water charges, cleaning charges and electricity charges) for the premises leased by the Group will be determined by the relevant parties to the individual agreements with reference to the prevailing market rent level of comparable properties with similar age, size, usage and nature in nearby district, and shall be on normal commercial terms and terms no more favourable than those offered to independent third parties. Reference will also be made to, where applicable, terms offered by COLI Group, the associates of COLI and their respective subsidiaries (excluding their respective associate(s) and subsidiaries listed on any stock exchange) to existing or potential tenants of similar premises in nearby district and market comparables as may be obtained from enquiries with valuers or property agencies.

The amount payable by the Group under the COLI Leasing Agreements will be funded by internal resources of the Group.

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

Payment terms for the COLI Leasing Transactions

Rents for the premises leased by the Group are payable on a monthly basis and in accordance with the terms of the specific individual agreements.

Historical/estimated transaction amounts

The historical transaction amounts paid by the Group to COLI Group, the associates of COLI and their subsidiaries (excluding their respective associate(s) and subsidiaries listed on any stock exchange) for the COLI Leasing Transactions for each of the two years ended 31 December 2021 and 31 December 2022, as well as the estimated transaction amount so paid by the Group for the half year ending 30 June 2023 (“**2023 1H**”) were/is as follows:

	For the year ended 31 December 2021	For the year ended 31 December 2022	For the half year ending 30 June 2023
Historical/estimated transaction amount	HK\$3.8 million	HK\$3.4 million	HK\$15.8 million*

* The estimated transaction amount for 2023 1H is derived from the actual transaction amount for the first quarter ended 31 March 2023 plus the remaining cap (i.e. 50%) for the half year ending 30 June 2023.

COLI Leasing Caps

The COLI Leasing Caps for the half year ending 31 December 2023 (“**2023 2H**”), each of the two years ending 31 December 2024 and 31 December 2025 and the half year ending 30 June 2026 (“**2026 1H**”) are as follows:

	For the half year ending 31 December 2023	For the year ending 31 December 2024	For the year ending 31 December 2025	For the half year ending 30 June 2026
COLI Leasing Caps	HK\$26 million	HK\$33 million	HK\$41 million	HK\$26 million

Basis of determination of the COLI Leasing Caps

The COLI Leasing Caps are calculated with reference to the capitalized value of the right-of-use assets (as defined under Hong Kong Financial Reporting Standard (“**HKFRS**”) 16 – Leases) in respect of the new leases expected to be entered into between COLI Group, the associates of COLI and their subsidiaries (excluding their respective associate(s) and subsidiaries listed on any stock exchange) and the Group during the period from 1 July 2023 to 30 June 2026 under the COLI Leasing Agreement which are determined with reference to the historical transaction amounts; the number, size, nature and locations of the target premises for satisfaction of the Group’s expected demand; and the expected increase in market rent level.

Reasons for and benefits of the entering into of the COLI Leasing Transactions

The Directors believe that maintaining the COLI Leasing Agreement will ensure the Group’s stability in using the relevant premises owned by COLI Group, the associates of COLI and their subsidiaries (excluding their respective associate(s) and subsidiaries listed on any stock exchange), and enable the Group to regulate the future leasing agreements with them by means of the COLI Leasing Agreement. Also, the Group will be able to avoid any unnecessary disruption to the operations of the Group and minimise any unnecessary relocation costs.

The terms of the COLI Leasing Agreement were determined after arm’s length negotiation between the Company and COLI with reference to the prevailing market rent level of comparable properties in the vicinity of similar ages, sizes, uses and attributes.

The Directors (including the Independent Non-executive Directors) consider that the COLI Leasing Transactions are expected to be entered into in the ordinary and usual course of business of the Group, and the COLI Leasing Agreement have been entered into on normal commercial terms after arm’s length negotiations between the parties, and the terms of the COLI Leasing Transactions (including the COLI Leasing Caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

2. COLI Utilities Charges Transactions

Reference is made to the announcement of the Company dated 28 April 2020 relating to, among other things, the Previous COLI Property Management Utilities Charges Agreement, which was entered into between the Company and COLI in respect of the COLI Utilities Charges Transactions and will expire on 30 June 2023.

The Directors expect that the Group will continue to consolidate and make payment of utilities charges (incurred in individual units of properties owned by COLI Group, the associates of COLI and their subsidiaries (excluding their respective associate(s) and subsidiaries listed on any stock exchange) and managed by the Group) to the landlords on behalf of the tenants of such units from time to time. In this connection, on 28 April 2023, the Company and COLI entered into the COLI Property Management Utilities Charges Agreement in respect of the COLI Utilities Charges Transactions for a term of three years commencing from 1 July 2023 and ending on 30 June 2026 (both dates inclusive), subject to the COLI Utilities Charges Caps.

COLI Property Management Utilities Charges Agreement

The principal terms of the COLI Property Management Utilities Charges Agreement are summarised as follows:

Date

28 April 2023

Parties

1. COLI; and
2. the Company.

Duration

The COLI Property Management Utilities Charges Agreement will commence from 1 July 2023 and continue for the period ending on 30 June 2026 (both dates inclusive).

Terms

Pursuant to the COLI Property Management Utilities Charges Agreement, any member of the Group and any member of COLI Group may enter into the COLI Utilities Charges Transactions in accordance with the terms of the COLI Property Management Utilities Charges Agreement in the ordinary and usual course of their respective businesses, on a non-exclusive basis as and when reasonably required, subject to the COLI Utilities Charges Caps. The Group shall also ensure that all COLI Utilities Charges Transactions will be entered into with the associates of COLI and their respective subsidiaries (excluding their respective associate(s) and subsidiaries listed on any stock exchange) on the same basis.

In respect of each particular COLI Utilities Charges Transaction, individual written agreement may be entered into by the relevant parties, setting out other detailed terms and conditions (including but not limited to, where applicable, the term of the agreement, the relevant property concerned, and the amount of the utilities charges). The COLI Property Management Utilities Charges Agreement shall prevail to the extent of any inconsistency with any such individual agreement.

Pricing basis for the COLI Utilities Charges Transactions

The utilities charges will be determined with reference to the actual amount of utilities cost being charged by the independent third party utilities services provider(s) to COLI Group, the associates of COLI and their respective subsidiaries (excluding their respective associate(s) and subsidiaries listed on any stock exchange) without any mark-up.

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

Payment terms for the COLI Utilities Charges Transactions

Utilities charges are payable by the Group on a monthly basis and in accordance with the terms of the specific individual agreements.

Historical/estimated transaction amounts

The historical transaction amounts paid by the Group to COLI Group, the associates of COLI and their subsidiaries (excluding their respective associate(s) and subsidiaries listed on any stock exchange) for the COLI Utilities Charges Transactions for each of the two years ended 31 December 2021 and 31 December 2022, as well as the estimated transaction amount so paid by the Group for 2023 1H were/is as follows:

	For the year ended 31 December 2021	For the year ended 31 December 2022	For the half year ending 30 June 2023
Historical/estimated transaction amount	HK\$109.9 million	HK\$128.3 million	HK\$72.0 million*

* The estimated transaction amount for 2023 1H is derived from the estimated utilization of cap by reference to year ended 31 December 2022.

COLI Utilities Charges Caps

The COLI Utilities Charges Caps for 2023 2H, each of the two years ending 31 December 2024 and 31 December 2025 and 2026 1H are as follows:

	For the half year ending 31 December 2023	For the year ending 31 December 2024	For the year ending 31 December 2025	For the half year ending 30 June 2026
COLI Utilities Charges Caps	HK\$98 million	HK\$194 million	HK\$200 million	HK\$121 million

Basis of determination of the COLI Utilities Charges Caps

The COLI Utilities Charges Caps are calculated with reference to (i) the historical amounts directly paid for water supplies and electricity supplies; and (ii) expected increase in the number of underlying properties subject to the utilities charges payment arrangement.

Reasons for and benefits of the entering into of the COLI Utilities Charges Transactions

As the individual tenants of properties owned by COLI Group, the associates of COLI and their respective subsidiaries (excluding their respective associate(s) and subsidiaries listed on any stock exchange) and managed by the Group (as property management company) are used to the practice of making payments of utility charges to the Group, for the convenience of the individual tenants and to maintain quality of services provided by the Group to the individual tenants, the Group will continue to collect utilities charges from individual tenants and consolidate such utilities charges before payment to the landlords.

The Directors (including the Independent Non-executive Directors) consider that the COLI Utilities Charges Transactions are expected to be entered into in the ordinary and usual course of business of the Group, and the COLI Property Management Utilities Charges Agreement have been entered into on normal commercial terms after arm's length negotiations between the parties, and the terms of the COLI Utilities Charges Transactions (including the COLI Utility Charges Caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

3. CSC Leasing Transactions

Reference is made to the announcement of the Company dated 28 April 2020 relating to, among other things, the Previous CSC Leasing Agreement, which was entered into between the Company and CSC in respect of the CSC Leasing Transactions and will expire on 30 June 2023.

The Directors expect that the Group will continue to lease premises from CSC Group, the associates of CSC and their subsidiaries (if any) from time to time. In this connection, on 28 April 2023, the Company and CSC entered into the CSC Leasing Agreement in respect of the CSC Leasing Transactions for a term of three years commencing from 1 July 2023 and ending on 30 June 2026 (both dates inclusive), subject to the CSC Leasing Caps.

CSC Leasing Agreement

Date

28 April 2023

Parties

1. CSC; and
2. the Company.

Duration

The CSC Leasing Agreement will commence from 1 July 2023 and continue for the period ending on 30 June 2026 (both dates inclusive).

Terms

Pursuant to the CSC Leasing Agreement, any member of the Group and any member of CSC Group may enter into the CSC Leasing Transactions in accordance with the terms of the CSC Leasing Agreement in the ordinary and usual course of their respective businesses, on a non-exclusive basis as and when reasonably required, subject to the CSC Leasing Caps. The Group shall also ensure that all CSC Leasing Transactions will be entered into with the associates of CSC and their respective subsidiaries (if any) on the same basis.

In respect of each particular CSC Leasing Transaction, individual written tenancy agreement may be entered into by the relevant parties, setting out other detailed terms and conditions (including but not limited to, where applicable, the term of the lease, the amounts, calculations and adjustments of rent, security deposits, air conditioning charges, management fees, promotion levies and other contributions, charges and fees, payment terms, any rent-free period, any option terms and provisions for early termination for cause or for convenience). The CSC Leasing Agreement shall prevail to the extent of any inconsistency with any such individual agreement.

Pricing basis for the CSC Leasing Transactions

The rent (exclusive of rates, government rent, water charges, cleaning charges and electricity charges) for the premises leased by the Group will be determined by the relevant parties to the individual agreements with reference to the prevailing market rent level of comparable properties with similar age, size, usage and nature in nearby district, and shall be on normal commercial terms and terms no more favourable than those offered to independent third parties. Reference will also be made to, where applicable, terms offered by CSC Group, the associates of CSC and their respective subsidiaries (if any) to existing or potential tenants of similar premises in nearby district and market comparables as may be obtained from enquiries with valuers or property agencies.

The amount payable by the Group under the CSC Leasing Agreements will be funded by internal resources of the Group.

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

Payment terms for the CSC Leasing Transactions

Rents for the premises leased by the Group are payable on a monthly basis and in accordance with the terms of the specific individual agreements.

Historical/estimated transaction amounts

The historical transaction amounts paid by the Group to CSC Group, the associates of CSC and their subsidiaries (if any) for the CSC Leasing Transactions for each of the two years ended 31 December 2021 and 31 December 2022, as well as the estimated transaction amount so paid by the Group for 2023 1H were/is as follows:

	For the year ended 31 December 2021	For the year ended 31 December 2022	For the half year ending 30 June 2023
Historical/estimated transaction amount	HK\$2.4 million	HK\$3.5 million	HK\$5.5 million*

* The estimated transaction amount for 2023 1H is derived from the actual transaction amount for the first quarter ended 31 March 2023 plus the remaining cap (i.e. 50%) for the half year ending 30 June 2023.

CSC Leasing Caps

The CSC Leasing Caps for 2023 2H, each of the two years ending 31 December 2024 and 31 December 2025 and 2026 1H are as follows:

	For the half year ending 31 December 2023	For the year ending 31 December 2024	For the year ending 31 December 2025	For the half year ending 30 June 2026
CSC Leasing Caps	HK\$21 million	HK\$22 million	HK\$27 million	HK\$20 million

Basis of determination of the CSC Leasing Caps

The CSC Leasing Caps are calculated with reference to the capitalized value of the right-of-use assets (as defined under HKFRS16 – Leases) in respect of the new leases expected to be entered into between CSC Group, the associates of CSC and their subsidiaries (if any) and the Group during the period from 1 July 2023 to 30 June 2026 under the CSC Leasing Agreement which are determined with reference to the historical transaction amounts; the number, size, nature and locations of the target premises for satisfaction of the Group's expected demand; and the expected increase in market rent level.

Reasons for and benefits of the entering into of the CSC Leasing Transactions

The Directors believe that maintaining the CSC Leasing Agreement will ensure the Group's stability in using the relevant premises owned and/or operated by CSC Group, the associates of CSC and their subsidiaries (if any), and enable the Group to regulate the future leasing agreements with them by means of the CSC Leasing Agreement. Also, the Group will be able to avoid any unnecessary disruption to the operations of the Group and minimise any unnecessary relocation costs.

The terms of the CSC Leasing Agreement were determined after arm's length negotiation between the Company and CSC with reference to the prevailing market rent level of comparable properties in the vicinity of similar ages, sizes, uses and attributes.

The Directors (including the Independent Non-executive Directors) consider that the CSC Leasing Transactions are expected to be entered into in the ordinary and usual course of business of the Group, and the CSC Leasing Agreement have been entered into on normal commercial terms after arm's length negotiations between the parties, and the terms of the CSC Leasing Transactions (including the CSC Leasing Caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INTERNAL CONTROL PROCEDURES

In order to safeguard the interests of the Company and the Shareholders as a whole, in respect of the continuing connected transactions contemplated under the New Leasing Agreements and the COLI Property Management Utilities Charges Agreement, the Group has adopted the following measures:

- (a) the general managers of the relevant business units and operations divisions of the Group will be responsible for negotiating the proposed underlying individual written agreements with the counterparties;
- (b) the general managers of the relevant business units and operations divisions of the Group will monitor the payment terms for each of the underlying individual written agreement to ensure that they will be in accordance with the respective pricing policies as disclosed under this announcement;
- (c) the Finance and Treasury Department of the Group will monitor the accumulated right-of-use assets or utilities charges payable (as the case may be) and submit reports regularly to the Executive Directors overseeing finance-related matters and the company secretary of the Company in order to ensure that the respective annual caps will not be exceeded; and

- (d) the Independent Non-executive Directors will review all the continuing connected transactions of the Company annually to ensure that they have been entered into in the ordinary and usual course of business of the Group and on normal commercial terms, and have been carried out pursuant to the terms of such transactions, in particular, the pricing under the Leasing Transactions and the COLI Utilities Charges Transactions shall be no less favourable to the Group than those offered by/to independent third parties for similar transactions (as the case may be), and that such terms are fair and reasonable and in the interests of the Company and Shareholders as a whole.

INFORMATION ON 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.

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

CSC Group is principally engaged in construction business, infrastructure investments and prefabricated constructions.

CSCEC (a state-owned corporation in the PRC) is the ultimate controlling shareholder of the Company, COLI and CSC respectively. CSCEC, together with its subsidiaries (excluding those listed on any stock exchange), 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

As at the date of this announcement, CSCEC is the ultimate holding company of COHL, which is the controlling shareholder of each of the Company, COLI and CSC by virtue of it being interested in approximately 61.18%, 56.09% and 64.81% of their respective issued share capital. Therefore, members of each of COLI Group (and the associates of COLI and their subsidiaries (excluding their respective associate(s) and subsidiaries listed on any stock exchange)) and CSC Group (and the associates of CSC and their subsidiaries (if any)) are connected persons of the Company, and the entering into of each of (a) the New Leasing Agreements and the Leasing Transactions contemplated thereunder, and (b) the COLI Property Management Utilities Charges Agreement and the COLI Utilities Charges Transactions constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the New Leasing Agreements were entered into with parties who are connected with one another within a 12-month period, and were of similar nature, all of the Leasing Transactions are required to be aggregated pursuant to Rule 14A.81 of the Listing Rules. As the highest applicable percentage ratio in respect of the Leasing Caps in aggregate is more than 0.1% but less than 5%, the Leasing Transactions are subject to annual review, reporting and announcement requirements but will be exempt from independent shareholders' approval requirement pursuant to Chapter 14A of the Listing Rules. For the avoidance of doubt, any variable amount of rents, short-term or low-value assets lease payments and other fees and expenses (if any) will be de minimis transactions and fully exempt from the requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the COLI Utilities Charges Caps is more than 0.1% but less than 5%, the COLI Utilities Charges Transactions are subject to annual review, reporting and announcement requirements but will be exempt from independent shareholders' approval requirement pursuant to Chapter 14A of the Listing Rules.

Mr. Zhang Guiqing, being the chairman and Executive Director of the Company and a director of COHL, and Mr. Ma Fujun, being a Non-executive Director of the Company and a director of COHL, although not considered having any material interest in (a) the New Leasing Agreements and the Leasing Transactions contemplated thereunder, and (b) the COLI Property Management Utilities Charges Agreement and the COLI Utilities Charges Transactions, have voluntarily abstained from voting on such board resolutions. None of the other Directors has any material interest in (a) the New Leasing Agreements and the Leasing Transactions contemplated thereunder, and (b) the COLI Property Management Utilities Charges Agreement and the COLI Utilities Charges Transactions contemplated thereunder, and none of them has abstained from voting on such board resolutions.

Shareholders should note that the Leasing Caps and the COLI Utilities Charges Caps represent the best estimates by the Directors of the amounts of the relevant transactions based on the information currently available. The Leasing Caps and the COLI Utilities Charges 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:

“associate(s)”, “connected person(s)”, “continuing connected transaction(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
“COHL”	China Overseas Holdings Limited, a company incorporated in Hong Kong with limited liability, and a controlling shareholder of the Company, COLI and CSC
“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 Leasing Agreement”	the framework agreement dated 28 April 2023 entered into between the Company and COLI in respect of the COLI Leasing Transactions for a term of three years commencing from 1 July 2023 and ending on 30 June 2026 (both dates inclusive)
“COLI Leasing Caps”	the maximum aggregate right-of-use assets which may be recognised by the Group (as lessee) for the COLI Leasing Transactions with COLI Group, the associates of COLI and their respective subsidiaries (excluding their respective associate(s) and subsidiaries listed on any stock exchange) (as lessor) for the relevant years/ periods under the COLI Leasing Agreement
“COLI Leasing Transactions”	any member of COLI Group, the associates of COLI and their respective subsidiaries (excluding their respective associate(s) and subsidiaries listed on any stock exchange) leasing properties to any member of the Group

“COLI Property Management Utilities Charges Agreement”	the framework agreement dated 28 April 2023 entered into between the Company and COLI in respect of the COLI Utilities Charges Transactions for a term of three years commencing from 1 July 2023 and ending on 30 June 2026 (both dates inclusive)
“COLI Utilities Charges Caps”	the maximum aggregate amounts payable by the Group to COLI Group, the associates of COLI and their respective subsidiaries (excluding their respective associate(s) and subsidiaries listed on any stock exchange) for the COLI Utilities Charges Transactions for the relevant years/periods under the COLI Property Management Utilities Charges Agreement
“COLI Utilities Charges Transactions”	any member of the Group consolidating and making payment of utilities charges (incurred in respect of individual units of properties owned by COLI Group, the associates of COLI and their subsidiaries (excluding their respective associate(s) and subsidiaries listed on any stock exchange)) and managed by the Group to the landlords on behalf of the tenants of such units
“Company”	China Overseas Property 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: 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 Leasing Agreement”	the framework agreement dated 28 April 2023 entered into between the Company and CSC in respect of the CSC Leasing Transactions for a term of three years commencing from 1 July 2023 and ending on 30 June 2026 (both dates inclusive)

“CSC Leasing Caps”	the maximum aggregate right-of-use assets which may be recognised by the Group (as lessee) for the CSC Leasing Transactions with CSC Group, the associates of CSC and their respective subsidiaries (if any) (as lessor) for the relevant years/periods under the CSC Leasing Agreement
“CSC Leasing Transactions”	any member of CSC Group, the associates of CSC and their respective subsidiaries (if any) leasing properties to any member of the Group
“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 each of the Company, COLI and CSC
“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
“Leasing Caps”	the COLI Leasing Caps and the CSC Leasing Caps
“Leasing Transactions”	the COLI Leasing Transactions and the CSC Leasing Transactions
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macao Special Administrative Region of the PRC
“New Leasing Agreements”	the COLI Leasing Agreement and the CSC Leasing Agreement
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, Macau and Taiwan

“Previous COLI Leasing Agreement”	the framework agreement dated 28 April 2020 entered into between the Company and COLI in respect of the COLI Leasing Transactions for a term of three years commencing from 1 July 2020 and ending on 30 June 2023 (both dates inclusive)
“Previous COLI Property Management Utilities Charges Agreement”	the framework agreement dated 28 April 2020 entered into between the Company and COLI in respect of the COLI Utilities Charges Transactions for a term of three years commencing from 1 July 2020 and ending on 30 June 2023 (both dates inclusive)
“Previous CSC Leasing Agreement”	the framework agreement dated 28 April 2020 entered into between the Company and CSC in respect of the CSC Leasing Transactions for a term of three years commencing from 1 July 2020 and ending on 30 June 2023 (both dates inclusive)
“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)
“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 2023

As at the date of this announcement, the Board comprises nine Directors, of which four are Executive Directors, namely Mr. Zhang Guiqing (Chairman), Mr. Xiao Junqiang (Chief Executive Officer), Mr. Pang Jinying (Vice President) and Mr. Kam Yuk Fai (Chief Financial Officer); two are Non-executive Directors, namely, Mr. Ma Fujun and Mr. Guo Lei; 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.