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中國海外發展有限公司 CHINA OVERSEAS LAND & INVESTMENT LTD.

(Incorporated in Hong Kong with limited liability)

(Stock Code: 688)

POTENTIAL DISCLOSEABLE TRANSACTION RELATING TO FORMATION OF JOINT VENTURE

On 19 October 2023, CODG (being an indirect wholly-owned subsidiary of the Company) and SLCD entered into the Bidding Agreement in respect of their joint bidding of the Lands in Shanghai, the PRC. Pursuant to the requirement under the Tender Notice and the Bidding Agreement, CODG and SLCD jointly paid the Deposit of RMB4,803.2 million (approximately HK\$5,220.9 million) in cash in the respective proportion of 85% and 15% of which, CODG paid RMB4,082.72 million (approximately HK\$4,437.8 million).

The Board is pleased to announce that the Parties have succeeded in the bid of the land use rights of the Lands through the Bidding Process on 24 October 2023 at a Consideration of RMB24,016 million (approximately HK\$26,104.3 million). The Parties agree to establish joint venture company(ies) in the PRC to acquire, hold and develop the Lands and will enter into a further agreement with respect to the establishment of the joint venture company(ies). The Company will make a further announcement and comply with the relevant requirements under the Listing Rules as and when necessary.

As one of the applicable percentage ratios in respect of the total capital commitment to be contributed by CODG under the Transaction is expected to be more than 5% but less than 25%, the Transaction will constitute a discloseable transaction for the Company and is subject to reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

FORMATION OF JOINT VENTURE

On 19 October 2023, CODG (being an indirect wholly-owned subsidiary of the Company) and SLCD entered into the Bidding Agreement in respect of their joint bidding of the Lands in Shanghai, the PRC. Pursuant to the requirement under the Tender Notice and the Bidding Agreement, CODG and SLCD jointly paid the Deposit of RMB4,803.2 million (approximately HK\$5,220.9 million) in cash in the respective proportion of 85% and 15% of which, CODG paid RMB4,082.72 million (approximately HK\$4,437.8 million).

According to the Bidding Agreement, if the bid is not successful, the Parties agree to terminate the Bidding Agreement. However, in the event that the Parties are awarded the tender, they agree to establish joint venture company(ies) in the PRC to acquire, hold and develop the Lands. The shareholdings of CODG and SLCD in such joint venture company(ies) will be in the proportion of 85% and 15% respectively. Future funding of the joint venture company(ies) shall be financed by (i) external financing from banks, financial institutions and other third party sources; and (ii) CODG and SLCD in proportion to their respective equity interests in the joint venture company(ies) by shareholder's loans. The Parties will enter into a further agreement with respect to the establishment of the joint venture company(ies) and the Company will make a further announcement and comply with the relevant requirements under the Listing Rules as and when necessary.

The Board is pleased to announce that the Parties have succeeded in the bid of the land use rights of the Lands through the Bidding Process on 24 October 2023 at a Consideration of RMB24,016 million (approximately HK\$26,104.3 million).

The Consideration shall be settled in full in accordance with the payment schedule set out in the Transfer Contracts. The pro-rata amount of the Consideration paid/to be paid by the CODG will be funded by the internal resources of the Group and/or external financing.

The Lands are for residential and commercial use. The residential properties constructed by the joint venture company(ies) on the Lands are intended for sale and for lease.

REASONS FOR AND BENEFITS OF THE TRANSACTION

Property development and investment are among the principal activities of the Group. The formation of the joint venture and the development of the Lands are in line with the key business strategies of the Company and would benefit its long-term business development. The Board (including the Independent Non-executive Directors) considers that the Bidding Agreement and the proposed establishment of joint venture company(ies) are entered into in the ordinary and usual course of business of the Group and that the terms of the Bidding Agreement are on normal commercial terms, fair and reasonable and in the interest of the Company and its shareholders as a whole.

INFORMATION ON THE PARTIES TO THE TRANSACTION

The Group is principally engaged in property development and investment, and other operations. CODG is an indirect wholly-owned subsidiary of the Company and is principally engaged in real estate development and operating, cost consultation and construction project management.

CSCEC is the ultimate holding company of the Company and CODG. 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.

SLCD is principally engaged in housing and civil engineering construction, real estate development, property management, urban planning consultation, property investment, investment management and consultation, and sales of general machinery, electric machinery and equipment, communications equipment and electronic products. West Bund (a PRC state-owned enterprise) is the ultimate holding company of SLCD and is principally engaged in land development, infrastructure construction, property investment, real estate development, property management, investment consultation, assets management, information advisory, exhibition services, design and production, advertising agency services, and domestic trading.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, SLCD and its ultimate beneficial owners are independent third parties of the Company.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios in respect of the total capital commitment to be contributed by CODG under the Transaction is expected to be more than 5% but less than 25%, the Transaction will constitute a discloseable transaction for the Company and is subject to reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Bidding Agreement”	the bidding agreement dated 19 October 2023 and entered into by the Parties in respect of their joint participation in the Bidding Process;
“Bidding Process”	the public bidding process in respect of the Lands held on 24 October 2023 in Shanghai, the PRC;
“Board”	the board of Directors;
“CODG”	China Overseas Development Group Co., Ltd.* (中海企業發展集團有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company;
“Company”	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);
“Consideration”	RMB24,016 million (approximately HK\$26,104.3 million), being the total consideration for acquisition of the Lands;

“CSCEC”	China State Construction Engineering Corporation* (中國建築集團有限公司), a state-owned corporation organised and existing under the laws of the PRC, and the ultimate holding company of the Company and CODG;
“Deposit”	an amount of RMB4,803.2 million (approximately HK\$5,220.9 million) paid by the Parties (in the proportion of 85% and 15% by CODG and SLCD respectively) in order to participate in the Bidding Process;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries from time to time (excluding subsidiary(ies) listed on any stock exchange);
“HK\$”	the Hong Kong dollars, the lawful currency of Hong Kong;
“holding company(ies)”, “percentage ratio(s)” and “subsidiary(ies)”	each has the meaning ascribed to it in the Listing Rules;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Lands”	six pieces of land parcels with an aggregate site area of approximately 135,175.2 sq.m. situated at Longhua Neighborhood, Xuhui District, Shanghai, the PRC (中國上海市徐匯區龍華街道) comprising land parcels nos.: 198-A-03, 198-A-04, 188N-F-04, 188N-F-05, 188N-U-04 and 198-C-02;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Parties”	CODG and SLCD;
“PRC”	the People’s Republic of China, and for the purposes of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“sq.m.”	square metre, unit of area;
“SLCD”	Shanghai Longhua Construction Development Co., Ltd.* (上海龍華建設發展有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of West Bund;

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Tender Notice”	a land use right tender notice dated 20 September 2023 issued by Shanghai Land Transaction Market (上海市土地交易市場) in relation to the Lands (Notice no. 202310301);
“Transaction”	the proposed formation of joint venture company(ies) to develop the Lands pursuant to the Bidding Agreement and the transactions contemplated thereunder;
“Transfer Contracts”	the Contract(s) for State-Owned Construction Land Use Right Assignment (國有建設用地使用權出讓合同) to be signed by the Parties with Shanghai Bureau of Natural Resources (上海市公共資源交易中心) for their acquisition of the land use right of the Lands;
“West Bund”	Shanghai West Bund Development (Group) Co., Ltd.* (上海西岸開發(集團)有限公司), a state-owned corporation organised and existing under the laws of the PRC, and the ultimate holding company of SLCD; and
“%”	per cent.

* English translation for identification purpose only

Unless otherwise specified in this announcement, amounts denominated in Renminbi have been converted, into Hong Kong dollars at the rate of RMB0.92 = HK\$1.00. The exchange rate is for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be converted at the above rate or any other rates.

By Order of the Board
China Overseas Land & Investment Limited
Yan Jianguo
Chairman and Executive Director

Hong Kong, 24 October 2023

As at the date of this announcement, Mr. Yan Jianguo (Chairman), Mr. Luo Liang (Vice Chairman), Mr. Zhang Zhichao (Chief Executive Officer) and Mr. Guo Guanghui are the Executive Directors of the Company; Mr. Zhuang Yong (Vice Chairman) and Mr. Zhao Wenhai are the Non-executive Directors of the Company; and Mr. Li Man Bun, Brian David, Professor Chan Ka Keung, Ceajer and Dr. Chan Ching Har, Eliza are the Independent Non-executive Directors of the Company.