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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 or registered institution in securities, 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 and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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(incorporated in Hong Kong with limited liability)

(Stock Code: 81)

**CONTINUING CONNECTED TRANSACTIONS
RENEWAL OF EXISTING MASTER ENGAGEMENT
AGREEMENT WITH CHINA STATE CONSTRUCTION
INTERNATIONAL HOLDINGS LIMITED IN RELATION
TO CONSTRUCTION WORKS
AND
NOTICE OF GENERAL MEETING**

**Independent Financial Adviser to
to the Independent Board Committee and the Independent Shareholders**



A letter from the Board is set out on pages 5 to 16 of this circular and a letter from the Independent Board Committee is set out on pages 17 to 18 of this circular. A letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders is set out on pages 19 to 34 of this circular.

A notice convening the GM to be held at 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong on Friday, 1 December 2023 at 10:00 a.m. is set out on pages GM-1 to GM-2 of this circular. A form of proxy for the GM is enclosed with this circular. Whether or not you intend to attend the GM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and deposit the same with the Company's share registrar, Tricor Standard Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as practicable and in any event no later than 10:00 a.m. on Wednesday, 29 November 2023. Completion and return of the form of proxy will not preclude you from attending and voting in person at the GM and any adjourned meeting (as the case may be) should you so wish.

No distribution of gifts or cake coupons and no refreshments will be served at the GM.

10 November 2023

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DEFINITIONS

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

“associate(s)”, “close associate(s)”, “connected person(s)”, “continuing connected transaction(s)”, “holding company”, “percentage ratio(s)”, “subsidiary(ies)” and “substantial shareholder(s)”	each has the meaning ascribed to it under the Listing Rules;
“Big Crown”	Big Crown Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of COLI and a direct holding company of Star Amuse;
“Board”	the board of Directors;
“Cap(s)”	the maximum total contract sums of the construction contracts that may be awarded by the Group to the CSC Group for the relevant years under the Renewal Master Engagement Agreement, details of which are set out under the paragraph headed “The Renewal Master Engagement Agreement — Subject Matter” in this circular;
“Chung Hoi Finance”	Chung Hoi Finance Limited, a company incorporated in Hong Kong with limited liability, being an indirect wholly-owned subsidiary of COLI;
“COHL”	China Overseas Holdings Limited, a company incorporated in Hong Kong with limited liability, which holds approximately 64.81% of the issued share capital of CSC and, through COLI, holds approximately 39.63% of the issued share capital of the Company;
“COLI”	China Overseas Land & Investment Limited, a company incorporated in Hong Kong with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 688), which holds approximately 39.63% of the issued share capital of the Company;
“Company”	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);

DEFINITIONS

“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 (for the purpose of this circular, excluding any listed subsidiary(ies)) from time to time;
“CSCEC”	中國建築集團有限公司 (China State Construction Engineering Corporation*), a state-owned enterprise organised and existing under the laws of PRC, and the ultimate holding company of COHL;
“CSCEC Group”	CSCEC and its subsidiaries (for the purpose of this circular, excluding any listed subsidiary(ies) other than CSCECL) from time to time;
“CSCECL”	中國建築股份有限公司 (China State Construction Engineering Corporation Limited*), a joint stock company incorporated in the PRC and whose shares are listed on the Shanghai Stock Exchange (stock code: 601668);
“Director(s)”	the director(s) of the Company;
“Existing Master Engagement Agreement”	the master engagement agreement entered into between the Company and CSC on 19 November 2020 in respect of the engagement by the Group of the CSC Group as construction contractor for the Group’s construction works in the PRC from time to time for a term of three years commenced from 1 January 2021 and ending on 31 December 2023;
“GM”	a general meeting of the Company to be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Renewal Master Engagement Agreement (together with the Caps) and the transactions contemplated thereunder;
“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;

DEFINITIONS

“Independent Board Committee”	the independent board committee of the Company comprising all independent non-executive Directors to advise the Independent Shareholders in respect of the Renewal Master Engagement Agreement (together with the Caps) and the transactions contemplated thereunder;
“Independent Financial Adviser” or “Maxa Capital”	Maxa Capital Limited, a licensed corporation 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 appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Renewal Master Engagement Agreement (together with the Caps) and the transactions contemplated thereunder;
“Independent Shareholders”	Shareholders who are not required to abstain from voting at the GM to approve the Renewal Master Engagement Agreement (together with the Caps) and the transactions contemplated thereunder;
“Latest Practicable Date”	7 November 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein, as the case may be;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time;
“PRC” or “Mainland China”	People’s Republic of China (for the purpose of this circular, excluding Hong Kong, Macao Special Administrative Region of the PRC and Taiwan);
“Renewal Master Engagement Agreement”	the master engagement agreement entered into between the Company and CSC on 20 October 2023 (as amended and supplemented from time to time) in respect of the engagement by the Group of the CSC Group as construction contractor for the Group’s construction works in the PRC from time to time for a term of three years commencing from 1 January 2024 and ending on 31 December 2026;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of the Company;
“Shareholder(s)”	holder(s) of the Share(s);

DEFINITIONS

“Star Amuse”	Star Amuse Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of COLI;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

** The English names of the PRC entities referred to in this circular are translations from their Chinese names and are for identification purpose only. If there is any inconsistency, the Chinese name shall prevail.*

LETTER FROM THE BOARD



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. ZHOU Hancheng (*Vice President*)

Registered office:

Suites 701-702, 7/F

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. FAN Chun Wah, Andrew

10 November 2023

To the Shareholders

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS
RENEWAL OF EXISTING MASTER ENGAGEMENT
AGREEMENT WITH CHINA STATE CONSTRUCTION
INTERNATIONAL HOLDINGS LIMITED IN RELATION TO
CONSTRUCTION WORKS
AND
NOTICE OF GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 20 October 2023, in respect of, among other things, the entering into of the Renewal Master Engagement Agreement between the Company and CSC whereby (i) any member of the CSC Group may tender for the Group's construction works in the PRC as construction contractor in accordance with the tendering procedures of the Group from time to time for a term of three years commencing from 1 January 2024 and ending on 31 December 2026 subject to the Caps; and (ii) the Group may engage the CSC Group as construction contractor for the Group's construction works in the PRC upon the CSC Group's successful tender(s).

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things:

1. the particulars of the Renewal Master Engagement Agreement (together with the Caps) and the transactions contemplated thereunder;
2. the letter from the Independent Board Committee with its recommendation to the Independent Shareholders on the Renewal Master Engagement Agreement (together with the Caps) and the transactions contemplated thereunder; and
3. the letter from the Independent Financial Adviser with their advice on the Renewal Master Engagement Agreement (together with the Caps) and the transactions contemplated thereunder,

as well as to seek the approval of the Independent Shareholders in respect of the entering into of the Renewal Master Engagement Agreement (together with the Caps) and the transactions contemplated thereunder.

RENEWAL OF EXISTING MASTER ENGAGEMENT AGREEMENT

Reference is made to the announcement of the Company dated 19 November 2020 and the circular of the Company dated 10 December 2020 in relation to, among other things, the Existing Master Engagement Agreement entered into between the Company and CSC.

The Existing Master Engagement Agreement will expire on 31 December 2023 and the Group expects to continue to engage the CSC Group as construction contractor of the construction works of the Group in the PRC upon a successful tender(s) by the CSC Group. As such, on 20 October 2023, the Company and CSC entered into the Renewal Master Engagement Agreement for a term of three years, commencing from 1 January 2024 and ending on 31 December 2026, and subject to the Caps.

THE RENEWAL MASTER ENGAGEMENT AGREEMENT

Date

20 October 2023

Parties

1. the Company; and
2. CSC.

LETTER FROM THE BOARD

Subject Matter

Pursuant to the Renewal Master Engagement Agreement, it is agreed that:

1. any member of the CSC Group may tender for the Group's construction works in the PRC as construction contractor in accordance with the tendering procedures of the Group from time to time for a term of three years commencing from 1 January 2024 and ending on 31 December 2026 and on the same and normal terms as offered to other independent third party construction contractors;
2. if any contract is granted in favour of the CSC Group as a result of the above tender, the CSC Group may act as construction contractor for the Group's construction works in the PRC based on the terms of the successful tender provided that the maximum total contract sums of the construction works that may be awarded by the Group to the CSC Group shall not exceed the corresponding Caps as set out below:

For the year ending 31 December 2024	For the year ending 31 December 2025	For the year ending 31 December 2026
RMB1.8 billion	RMB1.8 billion	RMB1.8 billion

3. the fees in respect of the construction works payable by the Group to the CSC Group will be settled pursuant to the payment terms set out in the tender documents for the relevant contracts for the specific construction works.

Pricing Basis

As a general principle, the prices and terms of the contracts shall be determined in the ordinary course of business, on normal commercial terms, negotiated on an arm's length basis and at prices and on terms no more favourable than those awarded to the independent third party construction contractors of the Group.

The Group will normally invite construction contractors to participate in competitive tenders for the Group's construction works in the PRC as construction contractor in accordance with its tendering procedures.

In conducting the Group's invitations to tender, review of tenders and tender selection, the participation of the members of the CSC Group in the tender process shall not in any way affect the Group's tendering procedures, contract terms and selection principles. The members of the CSC Group shall be treated in the same way as independent third parties.

The price and terms of the tenders awarded by the Group to the CSC Group for the Group's construction works in the PRC as construction contractor are subject to the standard and systematic tender procedures maintained by the Group, which apply to tenders submitted by both connected persons and independent third parties to ensure that the price and terms of the tender awarded by the Group to the CSC Group are no more favourable than those awarded to independent third parties.

LETTER FROM THE BOARD

1. *Invitations to Tender*

- (i) The Group has established its own list of approved contractors (which is subject to periodic review and update by its management). All contractors invited to submit tenders for the Group's projects are selected from such list. Contractors in the list include those contractors with or without prior working history with the Group. Contractors with working history with the Group will be subject to suitability assessment following completion of their works in the Group's project. A contractor can be retained in the list if the result of such assessment is satisfactory to the Group. The Group will remove a contractor from the list if it fails to meet the minimum criteria for retention. If a contractor has no prior working history with the Group, the contractor will be subject to qualification evaluation and review to ascertain if it is suitable for including the contractor in the list.
- (ii) Number of tenders to be invited: for every tender for the Group's construction works in the PRC as construction contractor, not less than three tenders will be invited.
- (iii) Selection of contractors to be invited to tender: the suitability of a contractor is assessed with reference to selection criteria including but not limited to the contractor's qualification grade, financial ability, technical capability, cooperation record, project management ability, quality of work and business management capability. Depending on the estimated value of the relevant construction contract, the person in charge and line managers of the district company shall conduct the vetting process to ascertain certain contractors to be invited to tender, following which the letter of invitation to tender will be issued.

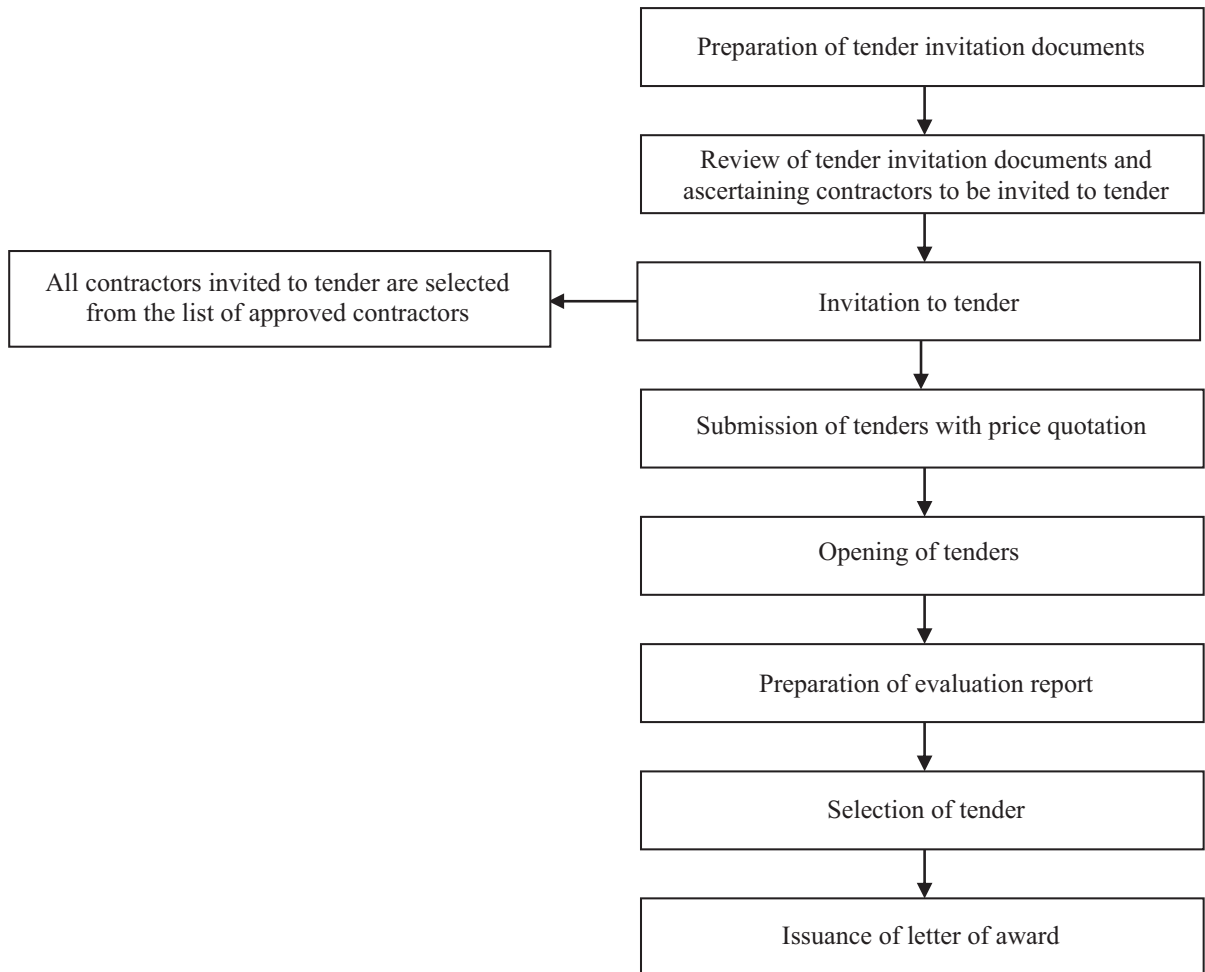
2. *Tendering and Selection of Tenders*

- (i) Tendering: the Company has adopted an online tendering system which enables the tenderers to submit their tenders after logging into their account.
- (ii) Opening of tenders: upon the deadline for tender submission, the tenders submitted will be opened through the online tendering system which is operated by the department head of the Contracts Department. After the opening of tenders, the tender-opening records and the uploaded information will be saved in the system and unalterable.
- (iii) Selection of tenders: based on the Group's established system of tendering, the winning bid will usually be the one conforming to the technical requirements with a reasonable and minimum price offered. The selection of tender is determined collectively by the relevant decision-making body in a meeting where contents of the proposed tender, the contractor's capability and risk of default are given full consideration. For tenders with bids less than RMB10 million, the relevant decision-making body is the tender working group of the relevant district company, which comprises the general manager of the district company, the person in charge of each of the cost management, engineering management, finance and treasury, and planning and design departments, and the general manager of each of the cost management, project development, finance and treasury, and planning and design departments of the district company. For tenders with bids of RMB10 million or more, the relevant decision-making bodies are the tender working group of the relevant district

LETTER FROM THE BOARD

company and the Group's construction management committee, which comprises the Company's Chief Executive Officer, the person in charge of each of the finance and treasury, cost management, and planning and design departments, and the general manager of each of the cost management, and finance and treasury departments of the headquarters. All members of the decision-making bodies are independent of the CSC Group. The relevant letter of award will be issued once the final decision is made in the meeting of the relevant decision-making body based on the final tender amount.

Tendering Procedure



LETTER FROM THE BOARD

Calculation of the Caps

The Caps are calculated with reference to the following factors:

- the total contract sum of construction works projects of the Group in the PRC:

For the year ended 31 December 2021	For the year ended 31 December 2022	For the period from 1 January to 30 September 2023
RMB36,699 million	RMB19,465 million	RMB8,879 million

- the annual caps, total contract sums of construction works projects of the Group in the PRC awarded by the Group to the CSC Group as construction contractor and the utilisation rates under the Existing Master Engagement Agreement:

	For the year ended 31 December 2021	For the year ended 31 December 2022	For the year ending 31 December 2023
Annual caps under the Existing Master Engagement Agreement	RMB2,000 million	RMB2,500 million	RMB3,000 million
Total contract sum of construction works projects of the Group in the PRC awarded by the Group to the CSC Group as construction contractor under the Existing Master Engagement Agreement^(Note)	RMB1,847 million	Nil	For the period from 1 January to 30 September 2023 Nil

Note:

Based on the above, the utilisation rates under the Existing Master Engagement Agreement are 92.4% and nil for the years ended 31 December 2021 and 31 December 2022 respectively. The current utilisation rate based on the total contract sum of construction works projects of the Group in the PRC awarded by the Group to the CSC Group as construction contractor under the Existing Master Engagement Agreement for the period from 1 January to 30 September 2023 is nil. The nil utilisation rates for the year ended 31 December 2022 and for the period from 1 January to 30 September 2023 were mainly due to the delay of the development of certain projects of which the Group originally planned to invite CSC Group to tender. In order to sustain a healthy financial position of the Group in light of the lowered contracted sales, the Group adopted the policy of “basing production on sales” and thus temporarily delayed the development of certain projects during 2022 and 2023 in response to market conditions, which included certain projects which the Group originally planned to invite CSC Group to tender. The Group expects that by the end of 2023, CSC Group will be invited to tender for certain delayed projects with an aggregated contract sum of approximately RMB0.8 billion.

LETTER FROM THE BOARD

3. the estimated total contract sum of not less than RMB12 billion in respect of the potential new construction projects of the Group in the PRC for each of the years ending on 31 December 2024, 2025 and 2026 with reference to the total gross floor area of the Group's new construction projects and the Group's future growth and expansion in its land reserves in the PRC, as evidenced by the increase in the Group's estimated areas under construction from 14.2 million square meters as at 30 June 2023 to approximately 19.3 million square meters to 21.3 million square meters for the next three years ending 31 December 2026; and
4. the estimated total contract sum within the range of RMB1 billion to RMB2 billion of the Group's construction works in the PRC for around 2 to 5 projects which the Group will invite the CSC Group to participate in competitive tenders from time to time for each of the years ending on 31 December 2024, 2025 and 2026, taking into account of the number and size of the potential new construction projects of the Group in the PRC.

The contract sums under the Renewal Master Engagement Agreement will be satisfied by the Group in cash from its general working capital.

In light of the above factors, the Board considers that the Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions Precedent

The obligations in the Renewal Master Engagement Agreement are conditional upon the following conditions being satisfied on or before 29 February 2024 (or such other date as the parties may agree in writing):

1. the passing of the resolution by the Independent Shareholders at the GM approving the Renewal Master Engagement Agreement (together with the Caps) and the transactions contemplated thereunder; and
2. the Company and CSC having complied with all other requirements under the Listing Rules with respect to the Renewal Master Engagement Agreement (together with the Caps) and the transactions contemplated thereunder, if any.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE RENEWAL MASTER ENGAGEMENT AGREEMENT

The CSC Group has a strong reputation as a nationwide contractor with decades of experience in construction works in the PRC. It has also attained relevant industry qualifications and standards for conducting construction works in the PRC and is widely recognised by the industry through achieving various awards in construction works. Taking into account CSC Group's technical skills, capabilities and experience in construction works and the estimated total contract sum of the Group's construction works in the PRC, the entering into of the Renewal Master Engagement Agreement would provide the Group with a more diverse base of contractors to be invited to tender for the construction works and participate in the construction works of the Group. The invited contractors will have to

LETTER FROM THE BOARD

submit tenders which are no higher than the Group's budget to have a chance of success in bidding. Therefore, the benign competition among the contractors will effectively reduce the cost of construction. If the competitive tender is awarded to the CSC Group, the quality of the construction works for the Group's property development projects could be maintained.

Internal Control Measures

In addition to the standard and systematic tendering procedures of the Group as mentioned in the paragraphs headed "The Renewal Master Engagement Agreement — Pricing Basis" and "The Renewal Master Engagement Agreement — Tendering Procedure" in this circular, the Company will adopt the following internal control procedures in relation to the Renewal Master Engagement Agreement to protect the interests of the Shareholders:

1. the Company will comply with its internal control procedures in respect of connected transactions, where (i) the Company will review and compare the price of the tenders submitted against other tenderers, the price of other similar projects and the market price for similar projects before selecting the tender with a reasonable and lowest price; (ii) the tender working group of the relevant district company, and if the tender amount is RMB10 million or above, together with the Group's construction management committee, will approve the tender amount; (iii) the intendance and audit department will monitor and inspect the tendering procedure; and (iv) the internal system of the Company will, on an on-going basis regardless of the tender amount, monitor the amounts awarded if a tender is awarded to a connected person of the Company to ensure that the Caps will not be exceeded before the Group enters into any transactions contemplated under the Renewal Master Engagement Agreement;
2. the Group will monitor the implementation of the Renewal Master Engagement Agreement on a regular basis and ensure that the transactions contemplated under the Renewal Master Engagement Agreement will be conducted under the terms of the Renewal Master Engagement Agreement, and the Caps will not be exceeded;
3. the Company will appoint an external auditor pursuant to the Listing Rules to conduct annual review of the transactions contemplated under the Renewal Master Engagement Agreement (together with the Caps);
4. the Company will continue to review on a regular basis the implementation and the effectiveness of the internal control system and the tendering procedures of the Group; and
5. the independent non-executive Directors will review all the continuing connected transactions of the Company (including the transactions contemplated under the Renewal Master Engagement Agreement) 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, and that such terms are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

The Board considers that the above internal control procedures adopted by the Company in connection with the transactions contemplated under the Renewal Master Engagement Agreement are appropriate and sufficient, and will give sufficient assurance that such transactions contemplated under the Renewal Master Engagement Agreement will be appropriately monitored by the Company.

The Directors (including the independent non-executive Directors whose opinion has been set out in this circular together with the advice of the Independent Financial Adviser) are of the view that as far as the Shareholders are concerned, the transactions contemplated under the Renewal Master Engagement Agreement are expected to be entered into in the ordinary and usual course of business of the Group, and the Renewal Master Engagement Agreement (together with the Caps) has been entered into on normal commercial terms after arm's length negotiations between the parties, and the terms of the Renewal Master Engagement Agreement (together with the Caps) and the transactions contemplated thereunder are fair and reasonable and in the best interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, COHL holds approximately 64.81% of the issued share capital of CSC and, through COLI, holds approximately 39.63% of the issued share capital of the Company. Accordingly, CSC is a connected person of the Company and the transactions contemplated under the Renewal Master Engagement Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since one or more of the applicable percentage ratios calculated for the Company in respect of the Cap exceed 5%, the transactions contemplated under the Renewal Master Engagement Agreement are subject to the reporting, announcement, annual review, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Shareholders should note that the Caps represent the best estimates by the Directors of the amount of the relevant transaction(s) based on the information currently available. The Caps bear no direct relationships to, nor should be taken to have any direct bearings on, the Group's financial or potential financial performance. The Group may or may not retain the CSC Group to engage in construction works up to the level of the Caps, if at all, as the engagements are subject to tendering procedures which are open to other independent third party construction contractors.

GENERAL

The Group is principally engaged in business of property investment and development, property leasing and investment holding.

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

CSCEC is the ultimate holding company of COHL, which is the holding company of COLI and CSC. The CSCEC Group is principally engaged in housing construction engineering, real estate development and investment, infrastructure construction and investment, and survey and design.

LETTER FROM THE BOARD

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders in respect of the Renewal Master Engagement Agreement (together with the Caps) and the transactions contemplated thereunder. Maxa Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this connection.

GM

A notice convening the GM to be held at 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong on Friday, 1 December 2023 at 10:00 a.m. is set out on pages GM-1 to GM-2 of this circular. An ordinary resolution will be proposed to the Independent Shareholders at the GM to consider and, if thought fit, to approve Renewal Master Engagement Agreement (together with the Caps) and the transactions contemplated thereunder.

VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Independent Shareholders at the GM will be taken by poll and the Company will announce the poll results in the manner prescribed under Rule 13.39(5) of the Listing Rules.

As at the Latest Practicable Date, COHL and its associates together held 1,410,758,152 Shares, representing approximately 39.63% of the issued share capital of the Company, of which 1,357,257,348 Shares (representing approximately 38.13% of the issued share capital of the Company) are held by Star Amuse and 53,500,804 Shares (representing approximately 1.50% of the issued share capital of the Company) are held by Chung Hoi Finance. Star Amuse is a wholly-owned subsidiary of Big Crown, and Big Crown and Chung Hoi Finance are wholly-owned subsidiaries of COLI, which in turn is a non-wholly owned subsidiary of COHL. COHL is a wholly-owned subsidiary of CSCECL which in turn is a non-wholly owned subsidiary of CSCEC. COHL and its associates (namely Star Amuse and Chung Hoi Finance, being the holders of the Shares) will abstain from voting on the relevant resolution to be proposed at the GM.

To the extent that the Directors are aware having made all reasonable enquiries, as at the Latest Practicable Date:

1. there was no voting trust or other agreement or arrangement or understanding (other than an outright sale) entered into by or binding upon COHL;
2. COHL was not subject to any obligation or entitlement whereby it had or it might have temporarily or permanently passed control over the exercise of the voting right in respect of its Shares in the Company to a third party, either generally or on a case-by-case basis; and

LETTER FROM THE BOARD

3. it was not expected that there would be any discrepancy between COHL's beneficial shareholding interest in the Company as disclosed in this circular and the number of Shares in the Company in respect of which it would control or would be entitled to exercise control over the voting right at the GM.

ACTIONS TO BE TAKEN

A form of proxy for use at the GM is enclosed with this circular. Whether or not you intend to be present at the GM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and deposit the same with the Company's share registrar, Tricor Standard Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as practicable and in any event no later than 10:00 a.m. on Wednesday, 29 November 2023. Completion and deposit of the form of proxy will not preclude you from attending and voting in person at the GM or any adjourned meeting thereof (as the case may be) should you so wish.

The results of the voting will be announced in the manner prescribed under Rule 13.39(5) of the Listing Rules after the GM.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 28 November 2023 to Friday, 1 December 2023 (both days inclusive), during which period no transfer of Shares will be effected. In order to determine the identity of the Shareholders who are entitled to attend and vote at GM, all transfer documents accompanied by the relevant share certificates must be lodged with Tricor Standard Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 27 November 2023.

RECOMMENDATION

Your attention is drawn to the letter of advice from the Independent Board Committee set out on pages 17 to 18 in this circular which contains its recommendation to the Independent Shareholders in relation to the Renewal Master Engagement Agreement (together with the Caps) and the transactions contemplated thereunder.

Your attention is also drawn to the letter from the Independent Financial Adviser set out on pages 19 to 34 in this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Renewal Master Engagement Agreement (together with the Caps) and the transactions contemplated thereunder.

None of the Directors is regarded as having a material interest in the Renewal Master Engagement Agreement (together with the Caps) and the transactions contemplated thereunder. Mr. Zhuang Yong, being the Chairman and executive Director of the Company, vice chairman and non-executive director of COLI, and director of COHL, has voluntarily abstained from voting on the board resolutions approving the Renewal Master Engagement Agreement (together with the Caps) and the transactions contemplated thereunder.

LETTER FROM THE BOARD

The Directors (including the independent non-executive Directors whose views have been set out in this circular together with the advice of the Independent Financial Adviser) consider that the Renewal Master Engagement Agreement (together with the Caps) have been entered into on normal commercial terms, and the terms of the transactions contemplated thereunder (together with the Caps) are fair and reasonable and in the interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the GM.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendix to this circular and the notice of GM.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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)

10 November 2023

To the Independent Shareholders

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS
RENEWAL OF EXISTING MASTER ENGAGEMENT
AGREEMENT WITH CHINA STATE CONSTRUCTION
INTERNATIONAL HOLDINGS LIMITED IN RELATION TO
CONSTRUCTION WORKS
AND
NOTICE OF GENERAL MEETING**

We refer to the circular dated 10 November 2023 (the “**Circular**”) issued by the Company to the Shareholders of which this letter forms part. Terms defined in the Circular shall have the same meanings herein unless the context otherwise requires.

The Independent Board Committee has been formed to advise the Independent Shareholders as to whether, in its opinion, the terms of the Renewal Master Engagement Agreement (together with the Caps) and the transactions contemplated thereunder are fair and reasonable, are on normal commercial terms and in the interests of the Company and its Shareholders as a whole. Maxa Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Renewal Master Engagement Agreement (together with the Caps) and the transactions contemplated thereunder.

We wish to draw your attention to the letter from the Board, as set out on pages 5 to 16 of the Circular and the text of a letter of advice from the Independent Financial Adviser, as set out on pages 19 to 34 of the Circular, both of which provide details of the Renewal Master Engagement Agreement (together with the Caps) and the transactions contemplated thereunder.

Having considered (i) the Renewal Master Engagement Agreement (together with the Caps) and the transactions contemplated thereunder; (ii) the advice of Maxa Capital; and (iii) the relevant information contained in the letter from the Board, we are of the opinion that the terms of the Renewal Master Engagement Agreement (together with the Caps) and the transactions contemplated thereunder are on normal commercial terms and in the ordinary and usual course of business of the Group, and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the GM.

Yours faithfully,
For and on behalf of
**The Independent Board Committee of
China Overseas Grand Oceans Group Limited**

Timpson Chung Shui Ming
Independent
Non-executive Director

Jeffrey Lam Kin Fung
Independent
Non-executive Director

Andrew Fan Chun Wah
Independent
Non-executive Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter from Maxa Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders setting out its advice in respect of the Renewal Master Engagement Agreement (together with the Caps) and the transactions contemplated thereunder for the purpose of inclusion in this circular.



Unit 1908, Harbour Center
25 Harbour Road
Wan Chai
Hong Kong

10 November 2023

To: the Independent Board Committee and the Independent Shareholders of China Overseas Grand Oceans Group Limited.

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS RENEWAL OF EXISTING MASTER ENGAGEMENT AGREEMENT WITH CHINA STATE CONSTRUCTION INTERNATIONAL HOLDINGS LIMITED IN RELATION TO CONSTRUCTION WORKS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Renewal Master Engagement Agreement (together with the Caps) and the transactions contemplated thereunder, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company dated 10 November 2023 (the “**Circular**”), of which this letter forms parts. Capitalised terms used in this letter shall have the same meanings ascribed to them in the Circular unless the context otherwise requires.

On 20 October 2023, the Company and CSC entered into the Renewal Master Engagement Agreement to extend all rights and obligations of the parties under the Existing Master Engagement Agreement starting from 1 January 2024 (including the Caps) whereby (i) the CSC Group may tender for the Group’s construction works in the PRC as construction contractor in accordance with the tendering procedures of the Group from time to time for a term of three years commencing from 1 January 2024 and ending on 31 December 2026 subject to the Caps; and (ii) the Group may engage the CSC Group as construction contractor for the Group’s construction works in the PRC upon the CSC Group’s successful tenders.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at the Latest Practicable Date, COHL holds approximately 64.81% of the issued share capital of CSC and approximately 39.63% of the issued share capital of the Company. Accordingly, CSC is a connected person of the Company and the transactions contemplated under the Renewal Master Engagement Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since one or more of the applicable percentage ratios calculated for the Company in respect of the Cap exceed 5%, the transactions contemplated under the Renewal Master Engagement Agreement are subject to the reporting, announcement, annual review, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

An Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders in respect of the Renewal Master Engagement Agreement (together with the Caps) and the transactions contemplated thereunder. We, Maxa Capital, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A GM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Renewal Master Engagement Agreement (together with the Caps) and the transactions contemplated thereunder. Voting at the GM will be conducted by poll and COHL and its associates will abstain from voting at the GM.

OUR INDEPENDENCE

As at the Latest Practicable Date, we were independent from and not connected with the Company, CSC and any of their respective associates that could reasonably be regarded as relevant to our independence in accordance with Rule 13.84 of the Listing Rules and accordingly, are qualified to give independent advice to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Renewal Master Engagement Agreement (together with the Caps) and the transactions contemplated thereunder. In the past two years, we were appointed by the Company as the independent financial adviser in May 2022 in respect of a continuing connected transaction in relation to supply of materials, details of which were set out in the circular of the Company dated 25 May 2022. Apart from the normal advisory fee payable to us in connection with this appointment, no arrangement exists whereby we shall receive any other fees or benefits from the Company.

BASIS OF OUR OPINION

In formulating our opinion, we have reviewed, among other things: (i) the Renewal Master Engagement Agreement; (ii) the annual reports for the year ended 31 December 2022 (the “**2022 AR**”) of the Company and CSC; and (iii) the interim reports for the six months ended 30 June 2023 (the “**2023 IR**”) of the Company and CSC. We consider that we have reviewed sufficient and relevant information and documents, and have taken reasonable steps as required under Rule 13.80 of the Listing Rules to reach an informed view and to provide a reasonable basis for our recommendation. We have relied on the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Directors and the management of the Group (the “**Management**”). We have reviewed, inter alia, the statements, the information, opinions and representations contained or referred to in the Circular and the information and representations

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

as provided to us by the Directors and the Management. We have assumed that (i) all statements, information and representations provided by the Directors and the Management; and (ii) the information referred to in the Circular, for which they are solely responsible, were true and accurate at the time when they were provided and continued to be so as at the Latest Practicable Date and the Shareholders will be notified of any material changes to such information and representations before the GM. We have also assumed that all statements of belief, opinion, intention and expectation made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the representation and opinions expressed by the Company, its advisers and/or the Directors. We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent verification of the information included in the Circular and provided to us by the Directors and the Management nor have we conducted any form of in-depth investigation into the business and affairs or the future prospects of the Group.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in the Circular misleading.

Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company. Where information in this letter has been extracted from published or otherwise publicly available sources, the sole responsibility of us is to ensure that such information has been correctly and fairly extracted, reproduced or presented from the relevant stated sources and not be used out of context.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion, we have taken into consideration the following principal factors and reasons:

1. Background information of the Group

The Group is principally engaged in business of property investment and development, property leasing and investment holding.

Set out below is the summarised financial information of the Group (i) for the two years ended respectively on 31 December 2021 (“**FY2021**”) and 31 December 2022 (“**FY2022**”), as extracted from 2022 AR of the Company; and (ii) for the six months ended respectively on 30 June 2022 (“**1H2022**”) and 30 June 2023 (“**1H2023**”), as extracted from the 2023 IR of the Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

	For the year ended		For the six months	
	31 December		ended 30 June	
	2021	2022	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Revenue	53,830,471	57,492,018	29,796,142	27,172,133
- Sales of properties	53,594,028	57,244,150	29,681,190	27,058,190
- Hotel and other services income	18,770	14,340	4,313	20,391
- Property rental income	217,673	233,528	110,639	93,552
Gross profit	12,399,136	8,276,184	5,477,028	4,434,993
Profit for the year/period	5,644,902	3,056,124	2,676,883	1,991,178

FY2022 vs FY2021

As disclosed in the 2022 AR of the Company, despite the global economic slowdown caused by the COVID-19 pandemic, the revenue of the Group was approximately RMB57.5 billion for FY2022, representing an increase of approximately RMB3.7 billion or 6.8% as compared to approximately RMB53.8 billion for FY2021. Such increase was primarily attributable to the increase in revenue from sales of properties, which represents an increase of approximately RMB3.7 billion or 6.8% compared to approximately RMB53.6 billion in FY2021, mainly due to the increase in sales of high-rise residential projects.

The Group recorded a gross profit of approximately RMB8.3 billion in FY2022, representing a decrease of approximately RMB4.1 billion or 33.3% from approximately RMB12.4 billion in FY2021. Such decrease was primarily attributable to the write-down of inventories of properties of approximately RMB2.7 billion recognised in cost of sales during the year. Due to the decrease in gross profit, the Group recorded a profit for the year of approximately RMB3.1 billion in FY2022, representing a decrease of approximately RMB2.6 billion or 45.9% from approximately RMB5.6 billion in FY2021.

1H2023 vs 1H2022

As disclosed in the 2023 IR of the Company, the revenue of the Group was approximately RMB27.2 billion for 1H2023, representing a decrease of approximately RMB2.6 billion or 8.8% as compared to approximately RMB29.8 billion in 1H2022. Such decrease was primarily attributable to the decrease in revenue from sales of properties, which represents a decrease of approximately RMB2.6 billion or 8.8% as compared to 1H2022, mainly due to the decrease in sales of high-rise residential projects for the current period.

The Group recorded a gross profit of approximately RMB4.4 billion in 1H2023, representing a decrease of approximately RMB1.0 billion or 19.0% from approximately RMB5.5 billion in 1H2022. Such decrease was primarily attributable to the decrease in the Group's revenue for the current period. As a result, the Group recorded a profit for the period of approximately RMB2.0 billion in 1H2023, representing a decrease of approximately RMB0.7 billion or 25.6% as compared to 1H2022.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

	As at 31 December		As at 30 June
	2021	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>
Non-current assets	8,143,839	8,056,171	8,155,541
Current assets	190,642,582	172,725,660	163,607,281
- Inventories of properties	136,371,481	131,891,355	117,919,192
- Trade and other receivables, prepayments and deposits	15,076,202	5,695,458	5,816,279
- Restricted cash and deposits	12,616,346	9,897,715	8,776,159
- Cash and bank balances	19,876,023	19,433,181	24,030,572
Total assets	198,786,421	180,781,831	171,762,822
Non-current liabilities	35,443,827	38,093,317	37,547,148
- Bank and other borrowings	29,162,103	30,828,251	27,492,670
Current liabilities	127,586,335	105,287,362	95,931,397
- Trade and other payables	19,928,604	20,830,621	18,106,033
- Contract liabilities	81,803,731	61,157,740	55,185,206
- Bank and other borrowings	12,773,873	12,176,911	13,416,776
Total liabilities	163,030,162	143,380,679	133,478,545
Net current assets	63,056,247	67,438,298	67,675,884
Net assets	35,756,259	37,401,152	38,284,277

31 December 2022 vs 31 December 2021

As disclosed in the 2022 AR of the Company, the Group had total assets of approximately RMB180.8 billion as at 31 December 2022. Approximately 95.5% of the Group's total assets were current assets which primarily comprised of (i) cash and bank balances of approximately RMB19.4 billion; (ii) restricted cash and deposits of approximately RMB9.9 billion, and (iii) inventories of properties of approximately RMB131.9 billion. The decrease in the total assets by approximately RMB18.0 billion or 9.1% from approximately RMB198.8 billion as at 31 December 2021 was primarily attributable to (i) the decrease in trade and other receivables, prepayments and deposits of approximately RMB9.4 billion or 62.2% as compared to FY2021; (ii) the decrease in inventories of properties of approximately RMB4.5 billion or 3.3% as compared to FY2021; and (iii) the decrease in restricted cash and deposits of approximately RMB2.7 billion or 21.5% as compared to FY2021.

The Group had total liabilities of approximately RMB143.4 billion as at 31 December 2022. Approximately 73.4% of the Group's total liabilities were current liabilities which primarily comprised of (i) trade and other payables of approximately RMB20.8 billion; (ii) contract liabilities of approximately RMB61.2 billion; and (iii) bank and other borrowings of approximately RMB12.2 billion. The decrease in the total liabilities by approximately RMB19.6 billion or 12.1% from approximately RMB163.0 billion as at 31 December 2021 was primarily attributable to the decrease in contract liabilities of approximately RMB20.6 billion or 25.2% as compared to FY2021.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

30 June 2023 vs 31 December 2022

As disclosed in the 2023 IR of the Company, the Group had total assets of approximately RMB171.8 billion as at 30 June 2023. Approximately 95.3% of the Group's total assets were current assets which primarily comprised of (i) cash and bank balances of approximately RMB32.8 billion; and (ii) inventories of properties of approximately RMB117.9 billion. The decrease in the total assets by approximately RMB9.0 billion or 5.0% from approximately RMB180.8 billion as at 31 December 2022 was primarily attributable to the decrease in inventories of properties of approximately RMB14.0 billion or 10.6% as compared to 31 December 2022.

The Group had total liabilities of approximately RMB133.5 billion as at 30 June 2023. Approximately 71.9% of the Group's total liabilities were current liabilities which primarily comprised of (i) trade and other payables of approximately RMB18.1 billion; (ii) contract liabilities of approximately RMB55.2 billion; and (iii) bank and other borrowings of approximately RMB13.4 billion. The decrease in the total liabilities by approximately RMB9.9 billion or 6.9% from approximately RMB143.4 billion as at 31 December 2022 was primarily attributable to the decrease in contract liabilities of approximately RMB6.0 billion or 9.8% as compared to 31 December 2022.

2. Background overview of the CSC Group

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

Set out below is the summarised financial information of the CSC Group (i) for FY2021 and FY2022, as extracted from 2022 AR of CSC; and (ii) for 1H2022 and 1H2023, as extracted from the 2023 IR of CSC.

	For the year ended		For the six months	
	31 December		ended 30 June	
	2021	2022	2022	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Revenue	77,309,614	101,975,265	53,810,559	55,110,712
- Revenue from construction contracts	32,121,267	45,219,645	29,024,172	18,673,338
- Revenue from construction related investment projects	39,511,725	49,243,336	20,383,539	32,287,323
- Revenue from facade contracting business	3,521,279	4,596,232	2,570,752	2,578,578
- Revenue from infrastructure operation	869,342	791,688	484,591	463,939
- Revenue from others	1,286,001	2,124,364	1,347,505	1,107,534
Gross profit	11,982,743	14,018,533	7,217,273	8,625,738
Profit for the year/period	7,435,884	8,469,464	4,518,117	5,134,854

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

FY2022 vs FY2021

As disclosed in the 2022 AR of CSC, the revenue of the CSC Group was approximately HK\$102.0 billion for FY2022, representing a substantial increase of approximately HK\$24.7 billion or 31.9% as compared to approximately HK\$77.3 billion for FY2021. Such substantial increase was primarily attributable to (i) the substantial increase in segment revenue from construction contracts of approximately HK\$13.1 billion or 40.8% as compared to FY2021; and (ii) the substantial increase in segment revenue from construction related investment projects of approximately HK\$9.7 billion or 24.6% as compared to FY2021. In relation to the substantial increase in the CSC Group's revenue in FY2022, the CSC Group also recorded increases in gross profit and profit for the year of approximately 17.0% and 13.9%, respectively from approximately HK\$12.0 billion and HK\$7.4 billion in FY2021 to approximately HK\$14.0 billion and HK\$8.5 billion, respectively in FY2022.

1H2023 vs 1H2022

As disclosed in the 2023 IR of CSC, the revenue of the CSC Group was approximately HK\$55.1 billion for 1H2023, representing an increase of approximately HK\$1.3 billion or 2.4% as compared to approximately HK\$53.8 billion in 1H2022. Such increase was primarily attributable to the substantial increase in segment revenue from construction related investment project of approximately HK\$11.9 billion or 58.4% as compared to 1H2022. Nevertheless, the substantial increase in segment revenue from construction related investment project is partially offset by the decrease in segment revenue from construction contracts, representing approximately HK\$10.4 billion or 35.7% as compared to 1H2022. Due to the increase in the revenue of the CSC Group, the CSC Group also recorded increases in gross profit and profit for the period of approximately 19.5% and 13.7%, respectively from approximately HK\$7.2 billion and HK\$4.5 billion in 1H2022 to approximately HK\$8.6 billion and HK\$5.1 billion, respectively in 1H2023.

	As at 31 December		As at
	2021	2022	30 June
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>
Non-current assets	105,327,522	100,669,766	100,025,140
- Interests in joint ventures	18,388,085	16,771,131	16,491,358
- Trade and other receivables	54,434,753	53,285,839	54,161,334
Current assets	113,956,903	128,180,363	137,257,486
- Contract assets	13,467,619	18,777,148	19,564,231
- Trade and other receivables	59,239,650	65,830,023	69,127,561
- Bank balances and cash	24,407,419	23,881,499	28,998,528
Total assets	219,284,425	228,850,129	237,282,626
Non-current liabilities	60,145,706	58,229,033	59,119,901
- Bank borrowings	47,848,335	45,457,207	50,478,524
Current liabilities	92,922,448	102,824,642	109,037,613
- Trade payables, other payables and accruals	60,561,364	69,736,719	72,326,292
- Bank borrowings	10,104,945	13,719,657	13,910,216
Total liabilities	153,068,154	161,053,675	168,157,514
Net current assets	21,034,455	25,355,721	28,219,873
Net assets	66,216,271	67,796,454	69,125,112

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

31 December 2022 vs 31 December 2021

As disclosed in the 2022 AR of CSC, the CSC Group had total assets of approximately HK\$228.9 billion as at 31 December 2022. The increase in the total assets by approximately HK\$9.6 billion or 4.4% from approximately HK\$219.3 billion as at 31 December 2021 was primarily attributable to (i) the increase in trade and other receivables of approximately HK\$6.6 billion or 11.1% as compared to 31 December 2021; and (ii) the substantial increase in contract assets of approximately HK\$5.3 billion or 39.4% as compared to 31 December 2021.

The CSC Group had total liabilities of approximately HK\$161.1 billion as at 31 December 2022. The increase in the total liabilities by approximately HK\$8.0 billion or 5.2% from approximately HK\$153.1 billion as at 31 December 2021 was primarily attributable to (i) the increase in trade payables, other payables and accruals of approximately HK\$9.2 billion or 15.2% as compared to 31 December 2021; and (ii) the substantial increase in bank borrowings of approximately HK\$3.6 billion or 35.8% as compared to 31 December 2021.

30 June 2023 vs 31 December 2022

As disclosed in the 2023 IR of CSC, the CSC Group had total assets of approximately HK\$237.3 billion as at 30 June 2023. The increase in the total assets by approximately HK\$8.4 billion or 3.7% from approximately HK\$228.9 billion as at 31 December 2022 was primarily attributable to (i) the substantial increase in bank balances and cash of approximately HK\$5.1 billion or 21.4% as compared to 31 December 2022; and (ii) the increase in trade and other receivables of approximately HK\$3.3 billion or 5.0% as compared to 31 December 2022.

The CSC Group had total liabilities of approximately HK\$168.2 billion as at 30 June 2023. The increase in the total liabilities by approximately HK\$7.1 billion or 4.4% from approximately HK\$161.1 billion as at 31 December 2022 was primarily attributable to (i) the increase in bank borrowings of approximately HK\$5.2 billion or 8.8% as compared to 31 December 2022; (ii) the increase in trade payables, other payables and accruals of approximately HK\$2.6 billion or 3.7% as compared to 31 December 2022; and (iii) the increase in loan from a joint venture of approximately HK\$2.6 billion as compared to 31 December 2022.

3. Reasons for and benefits of the entering into of the Renewal Master Engagement Agreement

The Group is principally engaged in real estate development and investment in the PRC and the CSC Group principally engages in construction business. As stated in the Letter from the Board, taking into account the CSC Group's technical skills, capabilities and experience in construction works and the estimated total contract sum of the Group's construction works in the PRC, the entering into of the Renewal Master Engagement Agreement would provide the Group with a more diverse base of contractors to be invited to tender for the construction works and participate in the construction works of the Group. The invited contractors should submit tenders which are no higher than the Group's budget to have a chance of success in bidding. Therefore, the benign competition among the contractors will effectively reduce the cost of construction. If the competitive tender is awarded to the CSC Group, the quality of the construction works for the Group's property development projects could be maintained.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We have reviewed CSC's 2023 IR and has noted that despite the difficulties faced by the global economy, it has recovered when compared to the corresponding period of last year. Amid this ever-changing external environment, the CSC Group has been consistently pursuing high quality development. During 1H2023, grasping opportunities arising from the central government's efficiency-enhancing policies and the major projects in Hong Kong and Macau, the CSC Group made every effort to develop the markets, leveraging the CSC Group's market-leading position in the construction market in Hong Kong and Macau and consolidating the results in the management and control of cashflow in the mainland China. The CSC Group's facade business maintained high-speed growth while the technological research and development continued to make breakthroughs, achieving outstanding results as a whole. Accordingly, the new contracts signed in Mainland China by the CSC Group amounted to HK\$48.6 billion for 1H2023, representing a year-on-year increase of 8.0%. The CSC Group's management has further consolidated its cash flow management and control results, which made significant contribution to maintaining positive overall operating cashflow of the CSC Group. The restoration of the CSC Group in meeting their annual target was indicative of how proactively they had been addressing the various impacts of (i) the high inflations in Europe and the United States of America; (ii) the emerging markets under the persistent pressure from capital outflows; (iii) the disrupted global supply chains posed by the continuing geo-political risk; and (iv) the ongoing Russia-Ukraine conflict. Furthermore, as China's economic recovery continued its steady process post COVID-19 pandemic, China's gross domestic product ("GDP") in the first three quarters of 2023 increased by approximately 5.2% as compared to the same period last year according to the preliminary accounting results of GDP published by National Bureau of Statistics of China, we are of the view that the CSC Group is considered as a reliable contractor under the current economic landscape.

We have also reviewed CSC's annual reports in the past three years and noted that the CSC Group had demonstrated its capability as a nationwide contractor with the reputation and proven track records in construction works. As at the end of 2020, 2021 and 2022, the CSC Group had 307, 376 and 348 projects in progress, respectively, with an aggregated attributable contract value of approximately HK\$450.3 billion, HK\$476.7 billion and HK\$522.6 billion, respectively. Additionally, we have obtained and reviewed the qualifications of the CSC Group including the permits and licenses issued by the relevant offices in the PRC to ensure its qualification in providing the construction services upon successful tender.

Based on the above, we agree with the Directors that the CSC Group is a qualified contractor and the Group can benefit from entering into the Renewal Master Engagement Agreement (together with the Caps) with CSC, which would provide the Group with a more diverse base of contractors to participate in the construction works of the Group and also lower the cost of the Group's constructions. The Renewal Master Engagement Agreement (together with the Caps) would allow the Group, but not impose an obligation, to engage the CSC Group to provide construction services as long as its tender is awarded in accordance with the Group's tendering procedures. Based on the foregoing, we consider that there is a justifiable commercial rationale for the Company and it is in the ordinary course of business of the Group to enter into the Renewal Master Engagement Agreement (together with the Caps).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

4. Principal terms of the Renewal Master Engagement Agreement

The terms of the Renewal Master Engagement Agreement are as follows:

Date: 20 October 2023

Parties

- (a) the Company; and
- (b) CSC

Subject Matter

Pursuant to the Renewal Master Engagement Agreement, it is agreed that:

- (i) any member of the CSC Group may tender for the Group's construction works in the PRC as construction contractor in accordance with the tendering procedures of the Group from time to time for a term of three years commencing from 1 January 2024 and ending on 31 December 2026 and on the same and normal terms as offered to other independent third-party construction contractors;
- (ii) if any contract is granted in favour of the CSC Group as a result of the above tender, the CSC Group may act as construction contractor for the Group's construction works in the PRC based on the terms of the successful tender provided that the maximum total contract sums of the construction works that may be awarded by the Group to the CSC Group shall not exceed the corresponding Caps as set out below:

For the year ending 31 December 2024	For the year ending 31 December 2025	For the year ending 31 December 2026
RMB1.8 billion	RMB1.8 billion	RMB1.8 billion

- (iii) the fees in respect of the construction works payable by the Group to the CSC Group will be settled pursuant to the payment terms set out in the tender documents for the relevant contracts for the specific construction works.

Pricing Basis

As a general principle, the prices and terms of the contracts shall be determined in the ordinary course of business, on normal commercial terms, negotiated on an arm's length basis and at prices and on terms no more favourable than those awarded to the independent third-party construction contractors of the Group.

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The Group will normally invite construction contractors to participate in competitive tenders for the Group's construction works in the PRC as construction contractor in accordance with its tendering procedures.

In conducting the Group's invitations to tender, review of tenders and tender selection, the participation of the members of the CSC Group in the tender process shall not in any way affect the Group's tendering procedures, contract terms and selection principles. The members of the CSC Group shall be treated in the same way as independent third parties.

The price and terms of the tenders awarded by the Group to the CSC Group for the Group's construction works in the PRC as construction contractor are subject to the standard and systematic tender procedures maintained by the Group, which apply to tenders submitted by both connected persons and independent third parties to ensure that the price and terms of the tender awarded by the Group to the CSC Group are no more favourable than those awarded to independent third parties.

Tendering procedures

Given that the CSC Group will continue to be able to participate in the Group's tendering procedure after the Renewal Master Engagement Agreement becomes effective, we have reviewed the Group's tender policy and procedures under the Renewal Master Engagement Agreement as set out in the Letter from the Board contained in the Circular, and compared to the one currently in place under the Existing Master Engagement Agreement, and concluded that they are identical.

We have discussed with the Management and obtained two sample tendering processes on past projects that have been awarded to the CSC Group during the period commencing from 1 January 2021 and up to 30 September 2023 to assess the rationale, procedures and selection basis of the Group's tender procedure. These two sampled tenders also constitute all tenders that have been awarded to the CSC Group by the Group under the Existing Master Engagement Agreement up to 30 September 2023. Out of the two sample tendering processes obtained, we noted that all two sampled tenders were reviewed against the stated processes and internal control procedures under the Group's tendering procedures and all the contractors invited to submit the bid were selected from the Company's list of approved contractors. All of our selected samples had invited at least four contractors to participate in each tender, the project manager and management in the district office had involved in evaluating the technical report in accordance with the proposal submitted by each potential contractor and had taken part in reviewing their respective capability in completing such project if they had been awarded with the contract. This process ensures quality assurance of the potential contractors are assessed appropriately by line manager of the district office. We noticed that based on the Group's established system of tendering, the winning bid will usually be the one conforming to the technical requirements with a reasonable and minimum price offered, all the contractors in our samples were awarded in line with such basis. The selection of tender is determined collectively by the decision-making body in a meeting where contents of the proposed tender, the contractor's capability and risk of default are given full considerations. The risk of default is assessed by the Company. The Company requires the potential contractors to submit historical financial statements before they can be invited to tenders and such financial statements are subject to review by the Company. This strict measure ensures that all the invited contractors have the financial capability to complete the projects if they are awarded with the tender. We have inspected the selected samples and there were proper documentations and authorisations of relevant levels (from project company to regional office to headquarters) to approve

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the winning bid in accordance with the Group's tendering procedure while the Group's finance and treasury department has an internal system to monitor the amount incurred under the awarded contracts to ensure the annual cap is not exceeded, we are of the view that the internal control procedures were adhered accordingly.

Further, we have also been advised by the Management that prior to inviting tender, the relevant business unit shall prepare a project analysis based on the scale, degree of difficulty, geographical location and duration of the project and make recommendation to senior management on the overall construction cost, project management skillset and technical requirement for the contractor. We have reviewed the two sampled tenders and both had taken into account of the requirements and specifications listed by the project team on the parties to be invited. Under the Group's tendering procedure, each awarded contract has a report that documents the selection basis to ensure pricing decisions are fully justified, formally approved and documented. We have obtained and reviewed the evaluation reports on our selected samples, which demonstrated all pricing decisions had been fully justified and formally approved by the relevant authorities, including the head office of the Company.

Based on the above, we are of the view that the Company's internal tendering procedures and pricing basis has been and will be adhered during the tendering process for the Renewal Master Engagement Agreement (together with the Caps) and there is effective measurement to ensure that the tenders submitted by both connected persons and independent third parties are treated in the same way. We consider that the selection of contractors by way of tender, and accordingly determines the contract sum for each separate agreement in the tender process under the Renewal Master Engagement Agreement (together with the Caps) is a fair and reasonable means to award a contract, including the contract price as provided under the tender.

5. Calculation of the Caps

As discussed with the Management, given that the Group and the CSC Group have previously entered into the Existing Master Engagement Agreement, the reasoning in entering into the Renewal Master Engagement Agreement (together with the Caps) is to continue being able to access a more diverse base of contractors to participate in the Company's construction works and lower the Company's construction costs.

The total contract sum between the Group and the CSC Group for the year ended 31 December 2021 amounted to approximately RMB1.84 billion, representing approximately 92.4% of the annual cap for the year ended 31 December 2021 under the Existing Master Engagement Agreement.

We noticed that the Group and the CSC Group did not collaborate on any construction works projects for FY2022 and for the period from 1 January 2023 to 30 September 2023. According to our discussion with the Management, it was mainly due to temporary delays in the development of certain projects of which the Group originally planned to invite the CSC Group to tender. Due to the negative effect on China's economy caused by the COVID-19 pandemic, the whole real estate market in the Mainland China has been slowed down since the second half of 2021. In order to sustain a healthy financial position of the Group in view of the lowered contracted sales, the Group adopted the policy of "basing production on sales" and thus temporarily delay the development of certain projects in response to market conditions. As a result, the bidding and commencement of certain construction projects of the Group had been temporarily delayed in particular during 2022 and 2023. As advised

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by the Management, it is expected that by the end of 2023, the CSC Group will be invited to tender for certain delayed projects, with a total aggregate contract sum of approximately RMB0.8 billion. If the CSC Group successfully wins those bids, it will constitute approximately 25.0% of the annual caps under the Existing Master Engagement Agreement for the year ending 31 December 2023.

We discussed with the Management and obtained the development plan for the three years ending 31 December 2026 which is being used by the Management to determine the estimated contract sum that is expected to invite the CSC Group to participate. Subject to the progress in the Group's property development projects, the Caps are determined based on (i) the Group's estimated areas under construction of approximately 19.3 million square meters to 21.3 million square meters for the next three financial years; (ii) the estimated total contract sum of construction works projects of the Group in the PRC of around RMB12.0 billion to RMB13.0 billion for each of the next three financial years; and (iii) the Group's plan to invite the CSC Group to participate in the tendering process for around 2 to 5 projects for each of the next three financial years with an estimated total contract sum of RMB1.0 billion to RMB2.0 billion for each of the next three financial years. We are of view that the rationale in entering into the Renewal Master Engagement Agreement (together with the Caps) is fair and reasonable and the Caps are calculated with reference to the following factors:

- (a) the estimated total contract sum of construction works projects of the Group in the PRC for the each of the next three financial years is in line with the reducing trend of the total contract sum of construction works projects of the Group in the PRC with reference to (i) for the financial year ended 31 December 2021 of approximately RMB36.7 billion; (ii) for the financial year ended 31 December 2022 of approximately RMB19.5 billion; and (iii) for the period from 1 January 2023 to 30 September 2023 of approximately RMB8.9 billion;
- (b) the total contract sum of construction works of the Group in the PRC awarded by the Group to the CSC Group as construction contractor under the Existing Master Engagement Agreement was (i) approximately RMB1.84 billion for the financial year ended 31 December 2021; and (ii) nil for the financial year ended 31 December 2022 and the period from 1 January 2023 to 30 September 2023 due to the delay in certain projects during COVID-19 pandemic;
- (c) the estimated total contract sum of the Group's construction works in the PRC for which the Group will invite the CSC Group to participate in competitive tenders from time to time for each of the three financial years ending on 31 December 2026, taking into account of the number and size of those delayed projects and other potential new construction projects of the Group in the PRC in the next three years.

The proposed Caps of RMB1.8 billion for each financial year from 1 January 2024 to 31 December 2026 constitute (i) approximately 9.2% respectively to the contract sum of construction works projects of the Group in the PRC for FY2022 of approximately RMB19.5 billion; and (ii) 15.0% to the estimated total contract sum of not less than RMB12.0 billion in respect of the potential new construction projects of the Group in the PRC for each of the years ending on 31 December 2024, 2025 and 2026. Given the expected continuing recovery in China's economy post COVID-19 pandemic for the next three years, together with the fact that the CSC Group will continue to participate in the

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future development of the Group's projects upon its successful tender, we are of the view that engaging a quality contractor like the CSC Group to provide construction services for the Group's project in the PRC and the renewed amounts determined under the Caps are in the interest of the Company and its Shareholders as a whole.

We are of view that (i) the proposed Caps still only constitute a minority proportion of the Group's estimated total contract sum in the PRC for each of the years ending on 31 December 2024, 2025 and 2026; (ii) the amount of the Caps are in line with the past practices of the Group for awarding contracts to a diversified set of contractors in order to reduce costs; and (iii) the amount of the Caps are within the range of the estimated total contract sum of construction works projects of the Group in the PRC which will be awarded to the CSC Group from 1 January 2024 to 31 December 2026.

Based on the 2022 AR of CSC, the segment revenue derived from the PRC was approximately HK\$48.6 billion or equivalent to approximately RMB45.5 billion, the proposed Caps of RMB1.8 billion for each of the years ending 31 December 2024, 2025, and 2026 constitute only approximately 4.0% to the CSC Group's segment revenue derived from the PRC in FY2022. We are of view that the proposed Caps also constitute a minority proportion of the CSC Group's segment revenue derived from the PRC as a whole.

Based on the above, we are of view that these estimations are made based on firm grounds and formed a fair and reasonable basis for determining the Caps and it is in the interest of the Company and the Shareholders as a whole.

6. Listing Rules' requirements and internal control procedures

We are given to understand that in compliance with the annual review requirements under the Listing Rules, the Directors have confirmed that the Company will comply with the followings during the term of the Renewal Master Engagement Agreement:

- (i) each year the independent non-executive directors of the Company must review the Renewal Master Engagement Agreement (together with the Caps) and the transactions contemplated thereunder and confirm in the Company's annual report whether the continuing connected transactions have been entered into are:
 - in the ordinary and usual course of business of the Group;
 - either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Group than terms available to or from (as appropriate) independent third parties; and
 - according to the Renewal Master Engagement Agreement (together with the Caps) and the transactions contemplated thereunder, governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

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- (ii) each year the auditors of the Company must provide a letter to the Board confirming whether anything has come to their attention that causes them to believe that the Renewal Master Engagement Agreement (together with the Caps) and the transactions contemplated thereunder:
- have not been approved by the Board;
 - are not, in all material respects, in accordance with the pricing policies of the Company if the Renewal Master Engagement Agreement (together with the Caps) and the transactions contemplated thereunder, involve provision of goods or services by the Company; have not been entered into in accordance with the relevant agreements governing the Renewal Master Engagement Agreement (together with the Caps) and the transactions contemplated thereunder; and
 - have exceeded the Caps;
- (iii) the Company will allow, and will procure that the counterparties will allow, the auditors of the Company with sufficient access to the relevant records for the purpose of reporting on the Renewal Master Engagement Agreement (together with the Caps) and the transactions contemplated thereunder. The Directors must state in the annual report whether its auditors have confirmed the matters stated in paragraph (ii) above; and
- (iv) the Company shall promptly notify the Stock Exchange and publish an announcement in accordance with the Listing Rules if it knows or has reason to believe that the independent non-executive directors and/or auditors of the Company will not be able to confirm the matters set out in paragraphs (i) and/or (ii) above, respectively.

We have reviewed the 2023 IR of the Company and the annual reports of the Company in the past three years and concluded that the Company has complied with the relevant review requirement, if applicable. On the other hand, CSC as a company listed on the Stock Exchange by itself is also required to follow the above annual review requirement. We have reviewed the 2023 IR of CSC and 2022 AR of CSC and its board of director had confirmed that CSC had complied with the relevant review requirement, if applicable. Having considered, in particular, (i) the restriction of the value of the Renewal Master Engagement Agreement (together with the Caps) and the transactions contemplated thereunder, by way of the Caps; and (ii) the ongoing review by the independent non-executive directors and auditors of both the Company and CSC of the terms of the Renewal Master Engagement Agreement (together with the Caps) and the transactions contemplated thereunder and the Caps not being exceeded, we are of view that there are appropriate measures in place to govern the conduct of the Renewal Master Engagement Agreement (together with the Caps) and the transactions contemplated thereunder and safeguard the interests of the Independent Shareholders.

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RECOMMENDATIONS

Having considered the above principal factors and reasons discussed above, we consider that (i) the terms of the Renewal Master Engagement Agreement (together with the Caps) and the transactions contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business of the Group and are fair and reasonable so far as the Independent Shareholders are concerned, and (ii) the entering into of the Renewal Master Engagement Agreement (together with the Caps) and the transactions contemplated thereunder are in the interests of the Company and its Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend that the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the GM to approve the Renewal Master Engagement Agreement (together with the Caps) and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
Maxa Capital Limited
Michael Fok
Managing Director

Mr. Michael Fok is a licensed person registered with the Securities and Future Commission of Hong Kong and a responsible officer of Maxa Capital Limited to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has over 20 years of experience in the corporate finance industry.

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.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Long positions in the Shares

Name of Director	Capacity	Number of Shares held	Approximate percentage of the Shares in issue⁽¹⁾
Mr. Zhuang Yong	Beneficial owner	618,825	0.02%
Mr. Yang Lin	Beneficial owner	2,550,000	0.08%
	Interest of spouse	346,125	
Mr. Yung Kwok Kee, Billy	Beneficial owner	17,849,999	13.01%
	Beneficiary of a trust ⁽²⁾	372,617,689	
	Interest of controlled corporation ⁽³⁾	62,578,292	
	Interest of spouse ⁽⁴⁾	10,000,000	
Dr. Chung Shui Ming, Timpson	Beneficial owner	544,875	0.02%

Notes:

1. The percentage is based on the total number of Shares in issue as at the Latest Practicable Date (i.e. 3,559,374,732 Shares).

2. These Shares are held by a trust for the benefit of Mr. Yung Kwok Kee, Billy and his family members.
3. These Shares are held by Extra-Fund Investment Limited, a wholly-owned subsidiary of Shell Electric Holdings Limited, which in turn is owned as to 80.55% by Red Dynasty Investments Limited, a company wholly owned by Mr. Yung Kwok Kee, Billy.
4. Mr. Yung Kwok Yee, Billy is deemed to be interested in 10,000,000 Shares through the interest of his spouse, Ms. Vivian Hsu.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company held any interest or short position in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules, to be notified to the Company and the Stock Exchange.

DIRECTORS' POSITIONS IN SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, save as disclosed below, none of the Directors or proposed Directors was a director or employee of a company which had an interest or short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Director	Name of companies which had such discloseable interest or short position	Position within such companies
Mr. Zhuang Yong	COLI	Vice Chairman and Non-executive Director
	COHL	Director
Mr. Guo Guanghui	COLI	Executive Director and Vice-President

DIRECTORS' INTERESTS IN ASSETS

As at the Latest Practicable Date, none of the Directors or proposed Directors had any direct or indirect interest in any assets which had been, since 31 December 2022 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to or were proposed to be acquired or disposed of by or leased to any member of the Group.

DIRECTORS' INTERESTS IN CONTRACTS OR ARRANGEMENTS

There is no contract or arrangement subsisting at the Latest Practicable Date in which any of the Directors is materially interested and which is significant in relation to the business of the Group.

SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had a service contract or a proposed service contract with any member of the Group which is not expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

MATERIAL ADVERSE CHANGE

At the Latest Practicable Date, the Directors confirmed that there is no material adverse change in the financial or trading position of the Group since 31 December 2022, the date to which the latest published audited accounts of the Company were made up.

COMPETING BUSINESS INTERESTS OF DIRECTORS

As at the Latest Practicable Date, Mr. Zhuang Yong, the Chairman and executive Director of the Company, is also a director of COHL, and the vice chairman and non-executive director of COLI. As at the Latest Practicable Date, Mr. Guo Guanghui, the non-executive Director of the Company, is also the executive director and vice-president of COLI. COHL and COLI are principally engaged in investment holding and property development and investment and related businesses.

The Board is independent of the boards of directors of COHL, COLI and CSC. With the presence of an appropriate portion of independent non-executive Directors in the Board, the Group is capable of carrying on its business independently of, and at arm's length from, the businesses in which the Directors have declared interests.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, proposed Directors or their respective close associates (as if each of them were treated as a controlling shareholder under Rule 8.10 of the Listing Rules) had any competing interests in a business which competes or is likely to compete with the business of the Group.

QUALIFICATIONS AND CONSENTS OF EXPERT

The following are the qualifications of the expert who has given its opinions and advices which are contained in this circular:

Name	Qualification
Maxa 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

1. As at the Latest Practicable Date, the expert above had no shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.
2. The expert above has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and/or reports and references to its name in the form and context in which they are included.
3. As at the Latest Practicable Date, the expert above did not have any direct or indirect interest in any assets which have been, since 31 December 2022 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to or were proposed to be acquired or disposed of by or leased to any member of the Group.
4. The letter from the Independent Financial Adviser is given as of the date of this circular for incorporation herein.

DOCUMENT ON DISPLAY

A copy of the Renewal Master Engagement Agreement will be published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.cogogl.com.hk) for a period of 14 days from the date of this circular.

NOTICE OF GENERAL MEETING



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)

NOTICE IS HEREBY GIVEN that a general meeting (“GM”) of China Overseas Grand Oceans Group Limited (the “Company”) will be held at 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong on Friday, 1 December 2023 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution of the Company. Unless otherwise indicated, capitalised terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 10 November 2023 of which this notice forms part (the “Circular”).

ORDINARY RESOLUTION

“**THAT:**

- (A) (i) the Renewal Master Engagement Agreement (a copy of which is tabled at the meeting and marked “A” and initialled by the chairman of the meeting for identification purpose) and the transactions contemplated thereunder, and the implementation thereof be and are hereby approved, confirmed and ratified; and
- (ii) the Caps for the period between 1 January 2024 and 31 December 2026 be and are hereby approved;
- (B) any one director of the Company (or any two directors of the Company or any two persons appointed by the board of directors of the Company, in the case of execution of documents under seal) be and is hereby authorised for and on behalf of the Company to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/her to be incidental to, ancillary to or in connection with the matters contemplated in the Renewal Master Engagement Agreement and the transactions contemplated thereunder, and the implementation thereof including the affixing of seal thereon.”

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

Hong Kong, 10 November 2023

Registered Office:
Suites 701-702, 7/F
Three Pacific Place
1 Queen’s Road East
Hong Kong

NOTICE OF GENERAL MEETING

Notes:

1. Any Shareholder entitled to attend and vote at the GM is entitled to appoint another person as his proxy to attend and vote instead of him. A Shareholder who is the holder of two or more Shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a Shareholder. A form of proxy for use at the GM is enclosed herewith.
2. To be valid, a form of proxy, together with any power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Company's share registrar, Tricor Standard Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as practicable and in any event no later than 10:00 a.m. on Wednesday, 29 November 2023.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
4. Delivery of the form of proxy will not preclude a Shareholder from attending and voting in person at the GM or any adjourned meeting or upon the poll concerned and, in such event, the instrument appointing a proxy will be deemed to be revoked.
5. Where there are joint registered holders of any Share, any one of such persons may vote at the GM, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the GM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
6. The register of members of the Company will be closed from Tuesday, 28 November 2023 to Friday, 1 December 2023 (both days inclusive), during which period no transfer of Shares will be effected. In order to determine the identity of the Shareholders who are entitled to attend and vote at GM, all transfer documents accompanied by the relevant share certificates must be lodged with Tricor Standard Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 27 November 2023.
7. Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the GM in respect of the resolution set out in this notice will be taken by poll and the Company will announce the poll results in the manner prescribed under Rule 13.39(5) of the Listing Rules.
8. This notice will also be available for viewing on the HKEXnews website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk, on the website of the Company at www.cogogl.com.hk and the website of EQS TodayIR Limited at www.todayir.com/en/showcases.php?code=81.
9. **No distribution of gifts or cake coupons and no refreshments will be served at the GM.**
10. As at the date of this notice, the Board comprises eight Directors, of which three are executive Directors, namely Mr. Zhuang Yong, Mr. Yang Lin and Mr. Zhou Hancheng; two non-executive Directors, namely Mr. Guo Guanghui and Mr. Billy Yung Kwok Kee; and three independent non-executive Directors, namely Dr. Timpson Chung Shui Ming, Mr. Jeffrey Lam Kin Fung and Mr. Andrew Fan Chun Wah.