

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



**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)**

**CONTINUING CONNECTED TRANSACTIONS  
RENEWAL OF EXISTING FRAMEWORK AGREEMENT IN RELATION TO  
THE SUPERVISION SERVICES**

**RENEWAL OF EXISTING FRAMEWORK AGREEMENT**

Reference is made to the announcement dated 24 March 2021 jointly issued by the Company, CSC and CSCD in relation to, among other things, the Existing Framework Agreement entered into between the Company and CSCD.

The Existing Framework Agreement will expire on 30 June 2024. The Directors expect that the Group will continue to engage the CSCD Group to provide the Services through the tender process conducted by the Group. In this connection, on 26 April 2024, the Company and CSCD entered into the Renewal Framework Agreement for a term of three years commencing from 1 July 2024 and ending on 30 June 2027 subject to the Caps.

**LISTING RULES IMPLICATIONS**

As at the date of this announcement, COHL is interested in approximately 70.78% of the issued share capital of CSCD and approximately 39.63% of the issued share capital of the Company. Therefore, members of CSCD Group are connected persons of the Company, and the transactions contemplated under the Renewal Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Caps is more than 0.1% but all are less than 5%, the transactions contemplated under the Renewal Framework Agreement are only subject to reporting, announcement and annual review requirements but are exempt from the independent Shareholders' approval requirement pursuant to Chapter 14A of the Listing Rules.

## **RENEWAL OF EXISTING FRAMEWORK AGREEMENT**

Reference is made to the announcement dated 24 March 2021 jointly issued by the Company, CSC and CSCD in relation to, among other things, the Existing Framework Agreement entered into between the Company and CSCD.

The Existing Framework Agreement will expire on 30 June 2024. The Directors expect that the Group will continue to engage the CSCD Group to provide the Services through the tender process conducted by the Group. In this connection, on 26 April 2024, the Company and CSCD entered into the Renewal Framework Agreement for a term of three years commencing from 1 July 2024 and ending on 30 June 2027 subject to the Caps.

### **THE RENEWAL FRAMEWORK AGREEMENT**

Principal terms of the Renewal Framework Agreement are summarised as follows:

#### **Date**

26 April 2024

#### **Parties**

1. The Company; and
2. CSCD.

#### **Term**

The Renewal Framework Agreement has a term of three years commencing from 1 July 2024 and ending on 30 June 2027 (both days inclusive).

#### **Subject Matter**

Pursuant to the Renewal Framework Agreement, the parties agreed that:

1. the Group may invite the CSCD Group to participate in the standard and systematic tendering procedures (details of which are set out in the paragraph headed “Pricing Basis” below) by which the Group will select and appoint a service provider for the provision of Services to the Group;
2. any member of the CSCD Group may provide Services to the Group, subject to the Caps; and
3. the contract amount in respect of the Services payable by the Group to the CSCD Group will be settled pursuant to the payment terms set out in the specific contracts.

## Caps

The Caps for the term of the Renewal Framework Agreement are as follows:

<b>For the period from 1 July to 31 December 2024</b>	<b>For the year ending 31 December 2025</b>	<b>For the year ending 31 December 2026</b>	<b>For the period from 1 January to 30 June 2027</b>
HK\$20,000,000	HK\$40,000,000	HK\$40,000,000	HK\$25,000,000

Shareholders should note that the Caps represent the best estimates by the Directors of the amount of the relevant transactions based on the information currently available. The Caps bear no direct relationship to, nor should they be taken to have any direct bearings on, the Group's actual or potential financial performance. The Group may or may not retain the CSCD Group to provide Services to the Group 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 service providers.

## Basis of Determination of the Caps

The Caps are calculated with reference to the following factors:

1. the caps and the historical total contract sums awarded by the Group to the CSCD Group under the Existing Framework Agreement:

	<b>For the period from 1 July to 31 December 2021</b>	<b>For the year ended 31 December 2022</b>	<b>For the year ended 31 December 2023</b>	<b>For the period from 1 January to 30 June 2024</b>
<b>The caps under the Existing Framework Agreement</b>	HK\$30,000,000	HK\$60,000,000	HK\$60,000,000	HK\$30,000,000
<b>The historical total contract sums under the Existing Framework Agreement</b>	HK\$18,102,000	HK\$13,396,000	HK\$21,985,000	Nil <sup>(Note)</sup>

*Note: The historical amount is for the period from 1 January to 31 March 2024.*

2. the estimated total contract sums of the Services required by the property development projects of the Group in PRC for which the Group may invite the CSCD Group to participate in the competitive tenders during the term of the Renewal Framework Agreement.

## Pricing Basis

As a general principle, the prices and terms of the Service 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 less favourable to the Group than those which the Group could obtain from independent third party service providers.

The Group will normally invite service providers to participate in competitive tender for the Services 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 CSCD Group in the tender process shall not in any way affect the Group's tendering procedures, contract terms and selection principles. Members of the CSCD 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 CSCD Group are subject to the standard and systematic tendering 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 CSCD Group are no more favourable to the CSCD Group than those awarded to independent third parties.

#### 1. *Invitations to Tender*

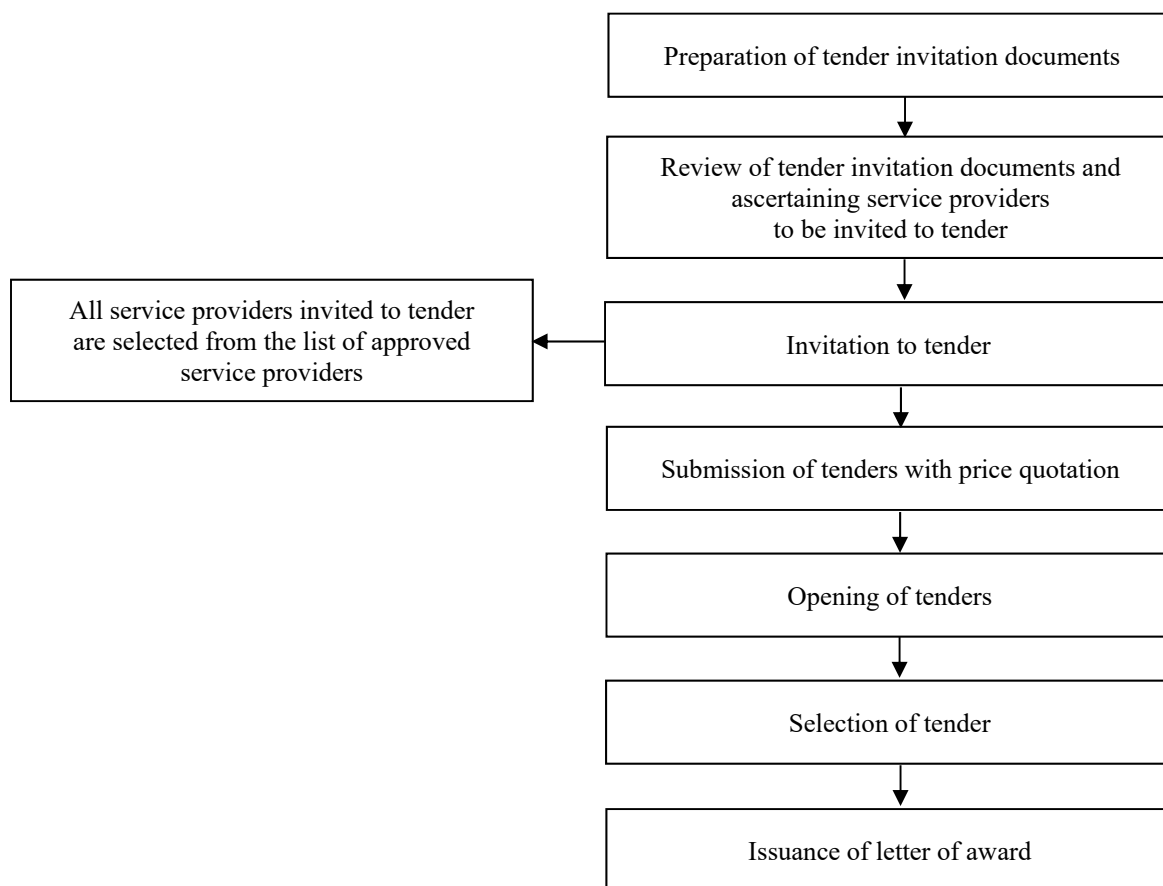
- (i) The Group has established its own list of approved service providers which is subject to periodic review and update by its management. All service providers invited to submit tenders for the Services are selected from such list. Service providers in the list include those with or without prior working history with the Group. Service providers with working history with the Group will be subject to suitability assessment following completion of each project of the Group. A service provider can be retained in the list if the result of such assessment is satisfactory to the Group. The Group will remove a service provider from the list if it fails to meet the minimum criteria for retention. If a service provider has no prior working history with the Group, the service provider will be subject to qualification evaluation and review to ascertain if it is suitable for inclusion in the list.
- (ii) Number of tenders to be invited: for every tender for the Services, not less than three tenders will be invited.
- (iii) Selection of service providers to be invited to tender: the suitability of a service provider is assessed with reference to selection criteria including but not limited to the service provider's qualification grade, financial capability, technical capability, cooperation record, project supervision capability, quality of service and business management capability. Depending on the estimated value of the Service contract, the person in charge and line managers of the district company shall conduct the vetting process to ascertain certain service providers 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 of the Company. After the opening of tenders, the tender-opening records and the uploaded information will be saved in the system and unalterable.

- (iii) Selection of tender: 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 service provider's capability and risk of default are given full consideration. 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 Procedures



## REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE RENEWAL FRAMEWORK AGREEMENT

The Directors consider that the CSCD Group is a professional supervision group with high qualifications (including qualifications in the PRC for supervising construction works). The entering into of the Renewal Framework Agreement will continue to provide the Group with an option to engage the CSCD Group (upon successful tender awarded to the CSCD Group) as service provider for the Services to ensure the smooth running of the property development projects of the Group.

The Directors (including the independent non-executive Directors) are of the view that the Renewal Framework Agreement has been entered into in the ordinary and usual course of business of the Group and on normal commercial terms after arm's length negotiations between the parties, and the terms of the Renewal Framework Agreement (together with the Caps) and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **INTERNAL CONTROL MEASURES**

The Group has adopted the following internal control procedures in relation to the Renewal Framework Agreement to protect the interests of the Shareholders:

1. the Company will comply with its internal control procedures in respect of connected transactions before the Group enters into any transactions contemplated under the Renewal Framework Agreement;
2. the Group will monitor the implementation of the Renewal Framework Agreement on a regular basis and ensure that the transactions contemplated under the Renewal Framework Agreement will be conducted under the terms of the Renewal Framework 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 Framework 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 of the Group; and
5. the independent non-executive Directors will review the report of the continuing connected transactions of the Company (including the transactions contemplated under the Renewal Framework 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 that such terms are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **INFORMATION ON THE PARTIES**

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

CSCD Group is principally engaged in general contracting business, facade contracting business (including design, engineering, manufacture, installation of curtain wall systems) and operating management business.

CSCEC is the ultimate holding company of CSCD. CSCEC Group is principally engaged in investment and development, construction engineering as well as survey and design, green construction, and other businesses.

## LISTING RULES IMPLICATIONS

As at the date of this announcement, COHL is interested in approximately 70.78% of the issued share capital of CSCD and approximately 39.63% of the issued share capital of the Company. Therefore, members of CSCD Group are connected persons of the Company, and the transactions contemplated under the Renewal Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Caps is more than 0.1% but all are less than 5%, the transactions contemplated under the Renewal Framework Agreement are only subject to reporting, announcement and annual review requirements but are exempt from the independent Shareholders' approval requirement pursuant to Chapter 14A of the Listing Rules.

None of the Directors is regarded as having a material interest in the Renewal Framework 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 Framework Agreement (together with the Caps) and the transactions contemplated thereunder.

## DEFINITIONS

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

“Cap(s)”	the maximum total contract sums of the Service contracts that may be awarded by the Group to the CSCD Group for the relevant years/periods under the Renewal Framework Agreement;
“COHL”	China Overseas Holdings Limited, a company incorporated in Hong Kong with limited liability, and the holding company of CSCD;
“COLI”	China Overseas Land & Investment Limited, a company incorporated in Hong Kong with limited liability and whose shares are listed on the Main Board of the Stock Exchange (stock code: 688);
“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);
“connected person(s)”, “continuing connected transaction(s)”, “holding company”, “percentage ratios” and “subsidiary(ies)”	each has the meaning ascribed to it under the Listing Rules;

“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);
“CSCD”	China State Construction Development 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: 830);
“CSCD Group”	CSCD and its subsidiaries from time to time;
“CSCEC”	中國建築集團有限公司 (China State Construction Engineering Corporation*), a state-owned corporation organised and existing under the laws of the PRC, being the ultimate holding company of CSCD;
“CSCEC Group”	CSCEC and its subsidiaries (for the purpose of this announcement, excluding COHL and its subsidiaries) from time to time;
“Director(s)”	the director(s) of the Company;
“Existing Framework Agreement”	the framework agreement dated 24 March 2021 entered into between the Company and CSCD in respect of, inter alia, the engagement of the CSCD Group by the Group for the provision of project management, supervision and consultancy services to the Group from time to time for a term of three years commenced from 1 July 2021 and ending on 30 June 2024;
“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;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan;
“Renewal Framework Agreement”	the framework agreement dated 26 April 2024 entered into between the Company and CSCD in respect of, inter alia, the engagement of the CSCD Group by the Group for the provision of Services to the Group from time to time for a term of three years commencing from 1 July 2024 and ending on 30 June 2027;
“Services”	the project supervision services provided by the CSCD Group to the Group in relation to the property development projects of the Group in the PRC;



“Shareholder(s)” the shareholder(s) of the Company from time to time;  
“Stock Exchange” The Stock Exchange of Hong Kong Limited; and  
“%” per cent.

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

Hong Kong, 26 April 2024

*As at the date of this announcement, the board of Directors 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. Billy Yung Kwok Kee and Ms. Liu Ping; and three independent non-executive Directors, namely Dr. Timpson Chung Shui Ming, Mr. Jeffrey Lam Kin Fung and Mr. Andrew Fan Chun Wah.*