
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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).

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



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)

RENEWAL OF EXISTING CONTINUING CONNECTED TRANSACTIONS WITH CHINA OVERSEAS LAND & INVESTMENT LIMITED IN RELATION TO SUPPLY OF MATERIALS AND NOTICE OF GENERAL MEETING

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



Unless the context otherwise requires, all capitalised terms used in this cover page shall have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 4 to 15 of this circular and a letter from the Independent Board Committee is set out on pages 16 to 17 of this circular. A letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders is set out on pages 18 to 31 of this circular.

A notice convening the GM to be held at 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong on Monday, 9 December 2024 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 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 not later than 10:00 a.m. on Friday, 6 December 2024. 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.

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	4
Letter from the Independent Board Committee	16
Letter from the Independent Financial Adviser	18
Appendix — General Information	I-1
Notice of GM	GM-1

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)”, “controlling shareholder(s)”, “holding company(ies)”, “percentage ratio(s)”, “subsidiary(ies)” and “substantial shareholder(s)”	each has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Cap(s)”	the maximum total contract sums for the supply of Materials for the Projects that may be awarded by the Group to the COLI Group for each of the relevant years under the Renewal Framework Agreement, details of which are set out under the section headed “Letter from the Board — The Renewal Framework Agreement — Subject Matter” in this circular;
“COHL”	China Overseas Holdings Limited, a company incorporated in Hong Kong with limited liability and a holding company of COLI;
“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), which holds approximately 39.63% of the issued share capital of the Company;
“COLI Group”	COLI and its subsidiaries (for the purpose of the Renewal Framework Agreement only, excluding its subsidiary(ies) listed on any stock exchange, if any) from time to time;
“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);
“Director(s)”	the director(s) of the Company;

DEFINITIONS

“Existing Framework Agreement”	the framework agreement entered into between the Company and COLI on 27 April 2022 in respect of the supply of Materials by the COLI Group to the Group for the Projects from time to time upon successful tender(s) of the COLI Group during the period from 1 January 2022 to 31 December 2024 subject to the annual caps set out therein;
“GM”	the general meeting of the Company to be held for the Independent Shareholders to consider and, if thought fit, approve the Renewal Framework Agreement (together with the Caps) and the transactions contemplated thereunder;
“Group”	the Company and its subsidiaries (for the purpose of the Renewal Framework Agreement only, excluding its subsidiary(ies) listed on any stock exchange, if any) from time to time;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	the independent board committee of the Company comprising all the independent non-executive Directors, namely Dr. Timpson Chung Shui Ming, Mr. Jeffrey Lam Kin Fung and Mr. Andrew Fan Chun Wah, to advise the Independent Shareholders in respect of the Renewal Framework 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 Framework 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 Framework Agreement (together with the Caps) and the transactions contemplated thereunder under the Listing Rules;
“Latest Practicable Date”	11 November 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein, as the case may be;

DEFINITIONS

“Lingchao Supply Chain”	深圳領潮供應鏈管理有限公司 (Shenzhen Lingchao Supply Chain Management Co., Ltd.*), a company established in the PRC with limited liability and a wholly-owned subsidiary of COLI;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Materials”	materials in relation to the works in the categories of civil engineering works, electrical and mechanical works and decoration;
“PRC” or “Mainland China”	People’s Republic of China (for the purpose of this circular, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan);
“Projects”	property development projects owned or developed / to be developed by the Group in the PRC;
“Renewal Framework Agreement”	the framework agreement entered into between the Company and COLI on 21 October 2024 in respect of the supply of Materials by the COLI Group to the Group for the Projects from time to time upon successful tender(s) of the COLI Group for a term of three years commencing from 1 January 2025 and ending on 31 December 2027;
“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)”	the holder(s) of Share(s) of the Company from time to time;
“sq.m.”	square meter(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

** The English name of the PRC entity referred to in this circular is the translation from its Chinese name and is 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. YUNG Kwok Kee, Billy (*Vice-Chairman of the Board*)

Ms. LIU Ping

Independent Non-executive Directors:

Dr. CHUNG Shui Ming, Timpson

Mr. LAM Kin Fung, Jeffrey

Mr. FAN Chun Wah, Andrew

15 November 2024

To the Shareholders

Dear Sir or Madam,

**RENEWAL OF EXISTING CONTINUING CONNECTED TRANSACTIONS
WITH CHINA OVERSEAS LAND & INVESTMENT LIMITED
IN RELATION TO SUPPLY OF MATERIALS
AND
NOTICE OF GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 21 October 2024, in respect of, among other things, the entering into of the Renewal Framework Agreement between the Company and COLI whereby the Group might continue to invite the COLI Group to participate in competitive tender(s) as supplier of Materials for the Projects and to so engage the COLI Group upon its successful tender(s) from time to time for a term of three years from 1 January 2025 to 31 December 2027.

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

1. the particulars of the Renewal Framework Agreement (together with the Caps) and the transactions contemplated thereunder;

LETTER FROM THE BOARD

2. the letter from the Independent Board Committee with its recommendation to the Independent Shareholders on the Renewal Framework Agreement (together with the Caps) and the transactions contemplated thereunder; and
3. the letter from the Independent Financial Adviser with its advice on the Renewal Framework 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 Framework Agreement (together with the Caps) and the transactions contemplated thereunder.

RENEWAL OF EXISTING CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement of the Company dated 27 April 2022 and the circular of the Company dated 25 May 2022 in relation to, among other things, the Existing Framework Agreement entered into between the Company and COLI, pursuant to which the Group might engage the COLI Group as supplier of Materials for the Projects upon its successful tender(s) in accordance with the tendering procedures of the Group from time to time for a term of three years from 1 January 2022 to 31 December 2024.

The Existing Framework Agreement will expire on 31 December 2024 and the Group expects to continue to invite the COLI Group to participate in competitive tender(s) as supplier of Materials for the Projects and to so engage the COLI Group upon its successful tender(s). As such, on 21 October 2024, the Company and COLI entered into the Renewal Framework Agreement for a term of three years, commencing from 1 January 2025 and ending on 31 December 2027.

THE RENEWAL FRAMEWORK AGREEMENT

Date

21 October 2024

Parties

1. The Company; and
2. COLI.

LETTER FROM THE BOARD

Subject Matter

Pursuant to the Renewal Framework Agreement, it is agreed that:

1. any member of the COLI Group may submit tender for the supply of Materials for the Projects as supplier of the Group in accordance with the standard and systematic tendering procedures of the Group from time to time for a term of three years commencing from 1 January 2025 and ending on 31 December 2027 (for details on the Group's tendering procedures, please refer to the sections headed "Letter from the Board — The Renewal Framework Agreement — Pricing Basis" and "Letter from the Board — The Renewal Framework Agreement — Tendering Procedures" of this circular);
2. if any contract is granted in favour of any member of the COLI Group as a result of a successful tender, such member of the COLI Group may act as supplier of Materials for the relevant Project(s) based on the terms of the successful tender provided that (i) such terms shall be consistent with the terms of the Renewal Framework Agreement, which terms shall prevail to the extent of any inconsistency between any individual contract and the Renewal Framework Agreement; and (ii) the aggregate amount of all contract sums in respect of the supply of Materials for the Projects that may be awarded by the Group to the COLI Group for each of the three years ending 31 December 2027 shall not exceed the corresponding Caps as set out below:

**For the year ending
31 December 2025**

RMB1.5 billion

**For the year ending
31 December 2026**

RMB1.5 billion

**For the year ending
31 December 2027**

RMB1.5 billion

3. the amounts in respect of the supply of Materials for the Projects payable by the Group to the COLI Group will be settled pursuant to the payment terms set out in the tender documents for the relevant individual contracts of the supply of such Materials; and
4. for the avoidance of doubt, the transactions contemplated under the Renewal Framework Agreement are entered into by the parties on a non-exclusive basis, and neither members of the Group nor members of the COLI Group shall be obliged to enter into any such transactions in relation to the supply/purchase of Materials for the Projects unless a successful tender is awarded.

Pricing Basis

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

LETTER FROM THE BOARD

The Group will normally invite suppliers of Materials in the Group's approved list (which include members of the COLI Group) to participate in competitive tenders for the Projects as suppliers of Materials in accordance with its standard and systematic tendering procedures. To the extent a potential supplier which the Group would like to invite is not yet on the Group's approved list, such potential supplier will be required to first submit an application to be listed as the Group's approved supplier through the procedures as set out under paragraph (i) of the sub-section headed "*1. Invitations to Tender*" below.

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

The price and terms of the tenders awarded by member(s) of the Group to member(s) of the COLI Group for the supply of Materials for the Projects 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 COLI Group are no more favourable than those awarded to independent third parties.

1. Invitations to Tender

- (i) The Group has established its own list of approved suppliers of Materials (which is subject to periodic review and update by its management). All suppliers invited to submit tenders for the Projects are selected from such list. Suppliers in the list include those suppliers with or without prior working history with the Group. Suppliers with working history with the Group will be subject to suitability assessment annually. A supplier can be retained in the list if the result of such assessment is satisfactory to the Group. The Group will remove a supplier from the list if it fails to meet the minimum criteria for retention. If a supplier has no prior working history with the Group, the supplier will be subject to qualification evaluation and review (including assessment on its qualification, performance, reputation, technology, fundings, relationship with the Group's other approved suppliers and/or employees, as well as the due diligence procedures, on-site inspections and interviews organised by the Group) to ascertain if it is suitable for including the supplier in the list.
- (ii) Number of tenders to be invited: not less than three tenders for the Projects as supplier of Materials will be invited.
- (iii) Selection of suppliers of Materials to be invited to tender: the suitability of a supplier is assessed with reference to selection criteria including but not limited to the supplier's qualification grade, financial ability, technical capability, cooperation record, project management ability, quality of Materials and business management capability. Depending on the estimated value of the relevant contract for the supply of Materials, the department head and leader in charge of the cost management department at the headquarters shall conduct the vetting process to ascertain which suppliers to be invited to tender, following which the letter of invitation to tender will be issued.

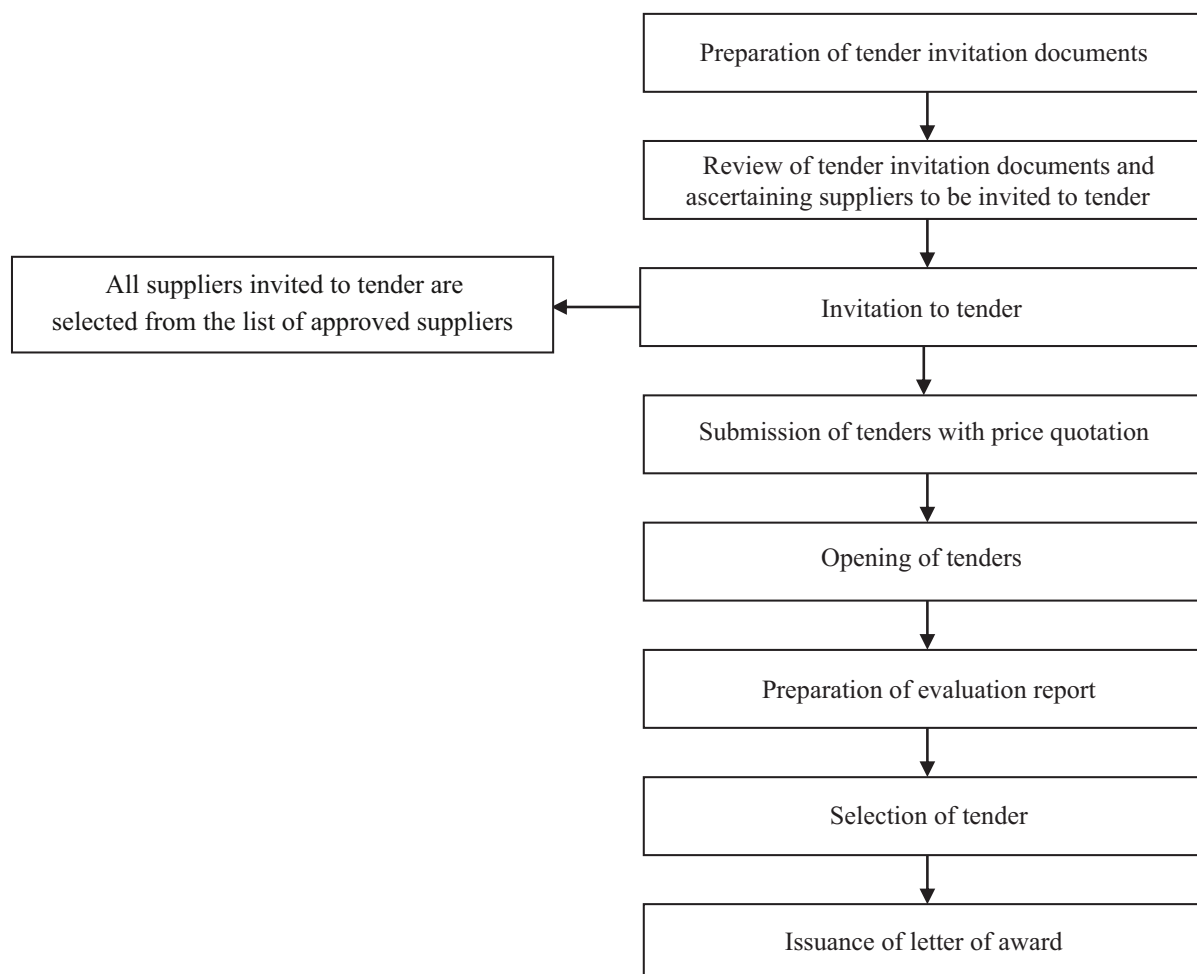
2. Tendering and Selection of Tenders

- (i) Tendering: the Group has adopted an online tendering system which enables the tenderers to submit their tenders after logging into their account.

LETTER FROM THE BOARD

- (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 cost management 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 supplier's capability and risk of default are given full consideration. The relevant decision-making body is the Group's construction management committee, which comprises the Company's Chief Executive Officer, the leader in charge of each of the finance and treasury, engineering management, cost management, and planning and design departments at the headquarters, and the department head of each of the cost management, engineering management, and finance and treasury departments at the headquarters. All members of the decision-making body are independent of the COLI 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 Procedures



LETTER FROM THE BOARD

Calculation of the Caps

The Caps are calculated with reference to the following factors:

1. the annual caps, utilisation rates of the annual caps and total contract sums for the supply of the Materials for the Projects by the COLI Group to the Group under the Existing Framework Agreement:

- (i) the annual caps and utilisation rates of the annual caps under the Existing Framework Agreement:

For the year ended 31 December 2022	For the year ended 31 December 2023	For the year ending 31 December 2024
RMB3,000,000,000 (Approximately 58.26%)	RMB3,000,000,000 (Approximately 30.42%)	RMB3,000,000,000 (Approximately 23.20%) ^{Note}

Note: The utilisation rate of the annual cap is calculated with reference to the total contract sum for the supply of the Materials for the Projects by the COLI Group to the Group for the period from 1 January to 30 September 2024.

- (ii) the total contract sums for the supply of the Materials for the Projects by the COLI Group to the Group under the Existing Framework Agreement:

For the year ended 31 December 2022	For the year ended 31 December 2023	For the period from 1 January to 30 September 2024
Approximately RMB1,747,843,000	Approximately RMB912,605,000	Approximately RMB696,058,000

The low utilisation rates of the annual caps under the Existing Framework Agreement and the decrease in historical contract sums were attributable to the decline of the overall real estate market in the PRC, which has affected the Group's schedule of property development and the size of the new construction area, and therefore reduced its procurement need during the term of the Existing Framework Agreement. The Board has considered the decrease in historical contract sums and the market condition when determining the fairness and reasonableness of the Caps, which are only 50% of the annual caps under the Existing Framework Agreement.

LETTER FROM THE BOARD

2. the estimated total contract sums of around RMB1.2 billion to 1.5 billion of the Materials required for the potential new Projects for each of the financial years ending on 31 December 2025, 2026 and 2027 and for which the Group may from time to time invite the COLI Group to tender, which are determined with reference to the number and scale of the potential new Projects and the costs of the corresponding Materials needed for the Projects and more specifically:
- (i) the expected new construction area for each year of 2025, 2026 and 2027, which is determined with reference to the number of Projects and the estimated new construction area of the Group in 2024 and the expectation of a moderate growth in the real estate market during the term of the Renewal Framework Agreement in light of the recent housing policies promulgated in the PRC;
 - (ii) the expected fully-renovated area for each year of 2025, 2026 and 2027, which is determined with reference to the historical fully-renovated proportion and the development plan and strategy of the Group;
 - (iii) the estimated basic decoration cost per sq.m. under the centralised Materials procurement, which is determined with reference to the cost of similar Projects delivered in 2024 on the assumption that such cost would remain stable during the term of the Renewal Framework Agreement; and
 - (iv) the estimated full-renovation cost per sq.m. under the centralised Materials procurement, which is determined with reference to the cost of similar Projects delivered in 2024 on the assumption that such cost would remain stable during the term of the Renewal Framework Agreement.

Based on the above factors, the estimated total contract sums of the Materials required for the potential new Projects for each of the three financial years ending 31 December 2027 are determined to be in the range of RMB1.2 billion to 1.5 billion. The Caps of RMB1.5 billion (the highest in the range) for each of the three financial years ending 31 December 2027 are set to tally with the possibility of the Group rescheduling its development plan which may affect its procurement schedule. From time to time, the Group will review the real estate market conditions and the property sales of the Group, and may adjust its development plan during the term of the Renewal Framework Agreement, bringing forward some Projects which are scheduled to commence in the later years and vice versa.

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

As the Caps were determined with reference to the historical and estimated contract sums for the supply of the Materials for the Projects by the COLI Group to the Group, and were calculated based on all the factors that may affect the overall amount of the contract sums for the supply of the Materials for the Projects during the term of the Renewal Framework Agreement (including the expected new construction area, the estimated basic decoration cost per sq.m., the expected fully-renovated area and the estimated full-renovation cost per sq.m., together with the development plan and strategy and total land bank of the Group for the term of the Renewal Framework Agreement

LETTER FROM THE BOARD

and historical costs of the Materials), 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) consider that the Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Shareholders should note that the Caps represent the best estimates by the Directors of the maximum 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 COLI Group to supply Materials for the Projects up to the level of the Caps, if at all, as the supply of Materials is subject to tendering procedures which are open to other independent third party suppliers.

Conditions Precedent

The obligations in the Renewal Framework Agreement are conditional upon the following conditions being satisfied on or before 31 December 2024 (or such other date as the parties to the Renewal Framework Agreement may agree in writing), otherwise the Renewal Framework Agreement shall terminate forthwith:

1. the Company having obtained the approval of the Independent Shareholders at the GM by way of poll in relation to the Renewal Framework Agreement (including the Caps) and the transactions contemplated thereunder; and
2. the Company having complied with all other requirements as may be imposed by the Stock Exchange as a condition to the transactions contemplated under the Renewal Framework Agreement (including the Caps) taking effect, if any.

None of the aforementioned conditions precedent will be waived by the parties to the Renewal Framework Agreement.

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

The COLI Group has more than 40 years of experience in material procurement and is one of the first pioneers amongst property developers to adopt a centralised procurement model. Leveraging on its experience in material procurement, Lingchao Supply Chain was established by COLI in 2020 as its wholly-owned subsidiary and the COLI Group's main centralised procurement platform to procure materials for the COLI Group, and at the same time, supply Materials for companies outside the COLI Group. Benefiting from its large-scale centralised procurement model which consolidates and tenders for all the materials required by the different projects of different developers in different cities in the PRC, as well as its ability to compare and review the prices offered by the upper stream suppliers from time to time and its power to bargain for cheaper prices, it is often the case that Lingchao Supply Chain can control its costs and supply the Materials at cheaper prices.

LETTER FROM THE BOARD

As Lingchao Supply Chain is one of the suppliers on the Group's list of approved suppliers of Materials, subject to successful tender(s), it will be able to continue to supply Materials with higher quality and at a better price to the Group with its large-scale procurement, cost control system, quality control system which randomly samples Materials for quality inspection from time to time and capabilities and experience as a supplier, which can in turn help enhance the cost-effectiveness and quality of the Projects. Also, the entering into of the Renewal Framework Agreement would provide the Group with a more diverse base of suppliers to be invited to tender for the supply of Materials for the Projects. The benign competition among the suppliers as encouraged by the Group's standard and systematic tendering procedures will effectively reduce the costs of Projects as well.

INTERNAL CONTROL MEASURES

In addition to the standard and systematic tendering procedures of the Group as mentioned in the sections headed "Letter from the Board — The Renewal Framework Agreement — Pricing Basis" and "Letter from the Board — The Renewal Framework Agreement — Tendering Procedures" in this circular, 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 Group 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 by all the tenderers, the price of other similar projects and the market price for similar projects before selecting the tender with the reasonable lowest price; (ii) the intendance and audit department will monitor and inspect the tendering procedure; and (iii) the internal system of the Company will, on an on-going basis regardless of the tender amount, monitor the amounts awarded if a successful tender is awarded to a connected person of the Company to ensure that the annual caps will not be exceeded before entering into any transactions contemplated under the corresponding framework agreements;
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 and tendering procedures 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 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 Group in connection with the transactions contemplated under the Renewal Framework Agreement are appropriate and sufficient, and will give sufficient assurance that such transactions contemplated under the Renewal Framework Agreement will be appropriately monitored by the Company.

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, COLI holds approximately 39.63% of the issued share capital of the Company. Therefore, COLI is a connected person 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.

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 Framework Agreement are subject to the reporting, announcement, annual review, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

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

The COLI Group is principally engaged in property development, commercial property operations and other businesses.

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 Framework 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 Monday, 9 December 2024 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 the Renewal Framework 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.

LETTER FROM THE BOARD

As at the Latest Practicable Date, COLI and its associates together held and controlled the voting right in 1,410,758,152 Shares, representing approximately 39.63% of the issued share capital of the Company. COLI and its associates (namely Star Amuse Limited and China Overseas Project Development Limited, being the direct Shareholders) 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 COLI or its associates;
2. COLI and its associates were not subject to any obligation or entitlement whereby any of them had or might have temporarily or permanently passed control over the exercise of the voting right in respect of their Shares to a third party, either generally or on a case-by-case basis; and
3. it was not expected that there would be any discrepancy between the beneficial shareholding interest of COLI and its associates in the Company as disclosed in this circular and the number of Shares in respect of which they 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 and is also available on the website of the Company (<https://www.cogogl.com.hk/en>) and the HKEXnews website (<https://www.hkexnews.hk>). Whether or not you intend to be present at the GM, you are requested to complete and return the 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 not later than 10:00 a.m. on Friday, 6 December 2024. 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 Wednesday, 4 December 2024 to Monday, 9 December 2024 (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 the 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 Tuesday, 3 December 2024.

LETTER FROM THE BOARD

RECOMMENDATION

Your attention is drawn to the letter of advice from the Independent Board Committee set out on pages 16 to 17 in this circular which contains its recommendation to the Independent Shareholders in relation to the Renewal Framework 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 18 to 31 in this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Renewal Framework Agreement (together with the Caps) and the transactions contemplated thereunder.

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. However, Mr. Zhuang Yong, being the Chairman and Executive Director of the Company, vice chairman and non-executive director of COLI and director of COHL, and Ms. Liu Ping, being a Non-executive Director of the Company and the general manager of the finance and treasury department of COLI, have voluntarily abstained from voting on the Board resolutions of the Company approving the Renewal Framework Agreement (together with the Caps) and the transactions contemplated thereunder.

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 Framework Agreement are expected to be entered into in the ordinary and usual course of business of the Group, and the Renewal Framework 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 Framework 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.

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)

15 November 2024

To the Independent Shareholders

Dear Sir or Madam,

RENEWAL OF EXISTING CONTINUING CONNECTED TRANSACTIONS WITH CHINA OVERSEAS LAND & INVESTMENT LIMITED IN RELATION TO SUPPLY OF MATERIALS

We refer to the circular dated 15 November 2024 (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 Framework 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 the 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 Framework 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 4 to 15 of the Circular and the text of a letter of advice from the Independent Financial Adviser, as set out on pages 18 to 31 of the Circular, both of which provide details of the Renewal Framework Agreement (together with the Caps) and the transactions contemplated thereunder.

Having considered (i) the Renewal Framework 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 Framework 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 the 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 Framework Agreement (together with the Caps) and the respective transactions contemplated thereunder for the purpose of inclusion in this circular.



Unit 2602, 26/F, Golden Center
188 Des Voeux Road Central
Sheung Wan
Hong Kong

15 November 2024

To: The Independent Board Committee and the Independent Shareholders

Dear Sir or Madam,

RENEWAL OF EXISTING CONTINUING CONNECTED TRANSACTIONS WITH CHINA OVERSEAS LAND & INVESTMENT LIMITED IN RELATION TO SUPPLY OF MATERIALS

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 Renewal Framework Agreement (together with the Caps) and the respective 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 15 November 2024 (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.

Reference is made to the announcement of the Company dated 27 April 2022 and the circular of the Company dated 25 May 2022 in relation to, among other things, the Existing Framework Agreement entered into between the Company and COLI. The Existing Framework Agreement will expire on 31 December 2024 and the Group expects to continue to invite the COLI Group to participate in competitive tender(s) as supplier of Materials for the Projects and to so engage the COLI Group upon its successful tender(s). As such, on 21 October 2024, the Company and COLI entered into the Renewal Framework Agreement for a term of three years, commencing from 1 January 2025 and ending on 31 December 2027.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

LISTING RULES IMPLCATIONS

As at the Latest Practicable Date, COLI holds approximately 39.63% of the issued share capital of the Company. Therefore, COLI is a connected person 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.

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

INDEPENDENT BOARD COMMITTEE

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

OUR INDEPENDENCE

As at the Latest Practicable Date, we were independent from the Company, COLI 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 Framework Agreement and the transactions contemplated thereunder (including the Caps). In the past two years, we were appointed by the Company as the independent financial adviser in November 2023 in respect of continuing connected transactions in relation to the renewal of master engagement agreement with connected person. The aforesaid previous appointment was limited to providing one-off independent advisory service, for which we received normal professional fees. Accordingly, we do not consider such previous appointment give rise to any conflict of interest for us in acting as the Independent Financial Adviser in respect of the Renewal Framework Agreement and the transactions contemplated thereunder (including the Caps). Apart from the normal advisory fees 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 and recommendation, we have reviewed, among other things: (i) the Renewal Framework Agreement and the Existing Framework Agreement; (ii) the annual report of the Company for the year ended 31 December 2023 (the “**2023 AR**”); (iii) the interim report of the Company for the six months ended 30 June 2024 (the “**2024 IR**”); and (iv) the basis and assumption adopted in determining the Caps. 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 or referred to

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

in the Circular and the information and representations as provided to us by the Directors and the management of the Group (the “**Management**”), for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the date of this letter. We have also assumed that all statements of belief, opinion, expectation, and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. Our opinion is based on the Directors’ representation and confirmation that no material facts have been omitted from the information provided and referred to in the Circular.

The Company confirmed that it has, at our request, provided us with all currently available information and documents which are available under present circumstances to enable us to reach an informed view and we have relied on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our opinion. We have no reason to suspect that any material facts or information, which is known to the Company, have been omitted or withheld from the information supplied or opinions expressed in the Circular nor do doubt the truth and accuracy of the information and facts, or the reasonableness of the opinions expressed by the Company and the Directors which have been provided to us. We have not, however, conducted any independent verification on the information provided to us by the Directors, nor have we conducted any form of independent in-depth investigation into the business and affairs of the Company, COLI and each of their respective subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

1. Background information of the Group

The principal activities of the Group mainly comprise property investment and development, property leasing and investment holding. The Group’s business activities are principally carried out in certain regions in the PRC.

Set out below is the financial information of the Group for the two years ended 31 December 2022 and 2023 (“**FY2022**” and “**FY2023**”, respectively) and the six months ended 30 June 2023 and 2024 (“**1H2023**” and “**1H2024**”, respectively) prepared in accordance with Hong Kong Financial Reporting Standards and extracted from the Company’s 2023 AR and 2024 IR.

	For the year ended 31 December		For the six months ended 30 June	
	2022	2023	2023	2024
	(audited)	(audited)	(unaudited)	(unaudited)
	RMB’000	RMB’000	RMB’000	RMB’000
Revenue	57,492,018	56,408,144	27,172,133	21,852,074
Profit attributable to owners of the Company	3,150,440	2,301,686	1,719,060	884,588

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Group's revenue decreased by approximately 1.9% to approximately RMB56.4 billion for FY2023 from approximately RMB57.5 billion for FY2022, because the overall real estate market in Mainland China has continued its adjustment phase. The Group's revenue decreased by approximately 19.6% to approximately RMB21.9 billion for 1H2024 from approximately RMB27.2 billion for 1H2023, which was primarily due to the ongoing consolidation of the overall real estate market in Mainland China.

The Group's profit attributable to owners of the Company decreased by approximately 26.9% to approximately RMB2.3 billion for FY2023 from approximately RMB3.2 billion for FY2022, which was mainly due to the decrease in gross profit from sales of properties. The Group's profit attributable to owners of the Company decreased by approximately 48.5% to approximately RMB0.9 billion in 1H2024 from approximately RMB1.7 billion in 1H2023, which was mainly driven by the decrease in revenue from sales of properties.

	As at 31 December 2022	2023	As at 30 June 2024
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>
	RMB'000	RMB'000	RMB'000
Total assets	180,781,831	152,030,454	139,982,086
- Inventories of properties	131,891,355	107,119,484	96,394,309
- Cash and bank balances	29,330,896	26,020,603	25,208,521
Total liabilities	143,380,679	113,900,938	102,005,984
- Contract liabilities	61,157,740	40,829,178	34,216,859
- Bank and other borrowings	43,005,162	34,908,813	33,411,511
- Trade and other payables	20,830,621	17,567,987	14,932,759
Net assets	37,401,152	38,129,516	37,976,102

Total assets

The decrease in the Group's total assets by approximately RMB28.8 billion to approximately RMB152.0 billion as at 31 December 2023 as compared to 31 December 2022 was mainly attributable to (i) decrease in inventories of properties by approximately RMB24.8 billion to RMB107.1 billion; and (ii) decrease in cash and bank balances by approximately RMB3.3 billion to RMB26.0 billion.

The decrease in the Group's total assets by approximately RMB12.0 billion to approximately RMB140.0 billion as at 30 June 2024 as compared to 31 December 2023 was mainly due to (i) decrease in inventories of properties by approximately RMB10.7 billion to RMB96.4 billion; and (ii) decrease in cash and bank balances by approximately RMB0.8 billion to RMB25.2 billion.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Total liabilities

The decrease in the Group's total liabilities by approximately RMB29.5 billion to approximately RMB113.9 billion as at 31 December 2023 as compared to 31 December 2022 was mainly due to (i) decrease in contract liabilities by approximately RMB20.3 billion to RMB40.8 billion; (ii) decrease in bank and other borrowings by approximately RMB8.1 billion to RMB34.9 billion; and (iii) decrease in trade and other payables by approximately RMB3.3 billion to RMB17.6 billion.

The decrease in the Group's total liabilities by approximately RMB11.9 billion to approximately RMB102.0 billion as at 30 June 2024 as compared to 31 December 2023 was mainly due to (i) decrease in contract liabilities by approximately RMB6.6 billion to RMB34.2 billion; (ii) decrease in bank and other borrowings by approximately RMB1.5 billion to RMB33.4 billion; and (iii) decrease in trade and other payables by approximately RMB2.6 billion to RMB14.9 billion.

Net assets

The Group's net assets increased by approximately 1.9% to approximately RMB38.1 billion as at 31 December 2023 and then slightly decreased by approximately 0.4% to approximately RMB38.0 billion as at 30 June 2024.

2. Background overview of COLI

The COLI Group is principally engaged in property development, commercial property operations and other businesses. The COLI Group's business activities are principally carried out in Hong Kong, Macau, Beijing, Guangzhou, Shenzhen, Shanghai, Xiamen, Changsha, Jinan, Nanjing, Hangzhou, Suzhou, Chengdu, Tianjin, Xi'an and other regions in the Mainland China.

Set out below is the financial information of the COLI Group for FY2022, FY2023, 1H2023 and 1H2024 prepared in accordance with Hong Kong Financial Reporting Standards and extracted from 2023 annual report and 2024 interim report of COLI.

	For the year ended 31 December		For the six months ended 30 June	
	2022	2023	2023	2024
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	180,321,569	202,524,069	89,159,725	86,935,427
Profit attributable to owners of COLI	23,264,747	25,609,837	13,489,777	10,313,630

The COLI Group's revenue increased by approximately 12.3% to approximately RMB202.5 billion for FY2023 from approximately RMB180.3 billion for FY2022, which was mainly attributable to the increase of contracted property sales in FY2023. The COLI Group's revenue decreased by approximately 2.5% to RMB86.9 billion for 1H2024 from approximately RMB89.2 billion for 1H2023.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The profit attributable to owners of COLI increased by approximately 10.1% to approximately RMB25.6 billion for FY2023 from approximately RMB23.3 billion for FY2022, which was mainly due to the increase of the revenue and the narrowing of the net foreign exchange losses. The profit attributable to owners of COLI decreased by approximately 23.5% to approximately RMB10.3 billion for 1H2024 from approximately RMB13.5 billion for 1H2023, which was mainly driven by the decrease in the gains arising from changes in fair value of investment properties of approximately RMB2.3 billion.

	As at 31 December		As at 30 June
	2022	2023	2024
	(audited)	(audited)	(unaudited)
	RMB'000	RMB'000	RMB'000
Total assets	913,254,132	923,604,091	912,947,048
- Stock of properties and other inventories	488,812,985	487,640,804	478,158,594
- Investment properties	190,226,516	207,746,168	208,052,776
- Bank balances and cash	110,306,115	105,629,033	100,237,072
- Trade and other receivables, deposits and prepayments	18,971,733	19,454,392	21,859,780
Total liabilities	540,156,307	530,692,383	511,856,741
- Bank and other borrowings	165,552,630	165,297,894	169,756,751
- Pre-sales proceeds	107,675,933	108,619,041	110,916,113
- Guaranteed notes and corporate bonds	104,832,616	92,366,242	85,817,170
- Trade and other payables	78,650,740	85,684,211	65,093,528
- Amounts due to non-controlling shareholders	13,712,388	8,648,674	10,433,426
Net assets	373,097,825	392,911,708	401,090,307

Total assets

The increase in the COLI Group's total assets by approximately RMB10.3 billion to approximately RMB923.6 billion as at 31 December 2023 as compared to 31 December 2022 was mainly attributable to (i) increase in investment properties by approximately RMB17.5 billion to RMB207.7 billion ; and partially offset by (ii) decrease in stock of properties and other inventories by approximately RMB1.2 billion to RMB487.6 billion; and (iii) decrease in bank balances and cash by approximately RMB4.7 billion to RMB105.6 billion.

The decrease in the COLI Group's total assets by approximately RMB10.7 billion to approximately RMB912.9 billion as at 30 June 2024 as compared to 31 December 2023 was mainly due to (i) decrease in stock of properties and other inventories by approximately RMB9.5 billion to RMB478.2 billion; (ii) decrease in bank balances and cash by approximately RMB5.4 billion to RMB100.2 billion; and partially offset by (iii) increase in trade and other receivables, deposits and prepayments by approximately RMB2.4 billion to RMB21.9 billion.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Total liabilities

The decrease in the COLI Group's total liabilities by approximately RMB9.5 billion to approximately RMB530.7 billion as at 31 December 2023 as compared to 31 December 2022 was mainly due to (i) decrease in guaranteed notes and corporate bonds by approximately RMB12.5 billion to RMB92.4 billion; (ii) decrease in amounts due to non-controlling shareholders by approximately RMB5.1 billion to RMB8.6 billion; and partially offset by (iii) increase in trade and other payables by approximately RMB7.0 billion to RMB85.7 billion; and (iv) increase in pre-sales proceeds by approximately RMB0.9 billion to RMB108.6 billion.

The decrease in the COLI Group's total liabilities by approximately RMB18.8 billion to approximately RMB511.9 billion as at 30 June 2024 as compared to 31 December 2023 was mainly due to (i) decrease in trade and other payables by approximately RMB20.6 billion to RMB65.1 billion; (ii) decrease in guaranteed notes and corporate bonds by approximately RMB6.5 billion to RMB85.8 billion; and partially offset by (iii) increase in bank and other borrowings by approximately RMB4.5 billion to RMB169.8 billion; (iv) increase in pre-sales proceeds by approximately RMB2.3 billion to RMB110.9 billion.

Net assets

The COLI Group's net assets increased by approximately 5.3% to approximately RMB392.9 billion as at 31 December 2023 and then further increased by approximately 2.1% to approximately RMB401.1 billion as at 30 June 2024.

3. Reasons for entering into the Renewal Framework Agreement (together with the Caps)

The COLI Group has more than 40 years of experience in material procurement and is one of the first pioneers amongst property developers to adopt a centralised procurement model. Leveraging on its experience in material procurement, Lingchao Supply Chain was established by COLI in 2020 as its wholly-owned subsidiary and the COLI Group's main centralised procurement platform to procure materials for the COLI Group, and at the same time, supply Materials for companies outside the COLI Group. Benefiting from its large-scale centralised procurement model which consolidates and tenders for all the materials required by the different projects of different developers in different cities in the PRC, as well as its ability to compare and review the prices offered by the upper stream suppliers from time to time and its power to bargain for cheaper prices, it is often the case that Lingchao Supply Chain can control its costs and supply the Materials at cheaper prices. As Lingchao Supply Chain is one of the suppliers on the Group's list of approved suppliers of Materials, subject to successful tender(s), it will be able to continue to supply Materials with higher quality and at a better price to the Group with its large-scale procurement, cost control system, quality control system which randomly samples Materials for quality inspection from time to time and capabilities and experience as a supplier, which can in turn help enhance the cost-effectiveness and quality of the Projects. Also, the entering into of the Renewal Framework Agreement would provide the Group with a more diverse base of suppliers to be invited to tender for the supply of Materials for the Projects. The benign competition among the suppliers as encouraged by the Group's standard and systematic tendering procedures will effectively reduce the costs of Projects as well.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We understand from the Management that the large scale of Materials procurement and its leading position in the real estate industry gives COLI Group a better bargaining power with the outside suppliers, which allows COLI to share the price advantage to the Group through Lingchao Supply Chain's centralised procurement. According to a report published by the China Real Estate Association¹, COLI is the second largest property developer in the PRC in 2024. We have reviewed COLI's 2023 annual report and 2024 interim report and noted that (i) COLI maintained a policy of pursuing high-quality development based on financial stability; (ii) COLI had not breached any of the "three red lines" and remained as a "green category" enterprise; and (iii) the contracted property sales of the COLI Group for FY2023 increased by approximately 5.1% to RMB309.8 billion and the corresponding sales area amounted to approximately 13.4 million sq.m.. In addition, we have obtained three sets of sample documents from the Management and compared the quotations of the same Materials ordered by COLI and the Group from the same suppliers, of which we noted that the leading position of COLI in the property industry enables COLI in getting a better bulk purchase discount.

Based on the above, we concur with the Directors that COLI being a qualified and leading real estate developer in the market has the advantage to bargain with construction material suppliers and the Group can benefit from entering into the Renewal Framework Agreement (together with the Caps) with COLI, which would continue to provide the Group a consistent supplier to supply Materials with higher quality and at a better price. Upon successful tender awarded to the members of the COLI Group in accordance to the Group's tendering procedure, the Group may continue to enjoy the price advantage of Lingchao Supply Chain's centralised procurement. 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 Framework Agreement (together with the Caps).

4. Principal terms of the Renewal Framework Agreement

The terms of the Renewal Framework Agreement are as follow:

Date

21 October 2024

Parties

- (i) The Company; and
- (ii) COLI.

¹ <http://www.fangchan.com/zt/top500/>

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Subject Matter

Pursuant to the Renewal Framework Agreement, it is agreed that:

- (i) any member of the COLI Group may submit tender for the supply of Materials for the Projects as supplier of the Group in accordance with the standard and systematic tendering procedures of the Group from time to time for a term of three years commencing from 1 January 2025 and ending on 31 December 2027;
- (ii) if any contract is granted in favour of any member of the COLI Group as a result of a successful tender, such member of the COLI Group may act as supplier of Materials for the relevant Project(s) based on the terms of the successful tender provided that (a) such terms shall be consistent with the terms of the Renewal Framework Agreement, which terms shall prevail to the extent of any inconsistency between any individual contract and the Renewal Framework Agreement; and (b) the aggregate amount of all contract sums in respect of the supply of Materials for the Projects that may be awarded by the Group to the COLI Group for each of the three years ending 31 December 2027 shall not exceed the corresponding Caps as set out below:

**For the year ending
31 December 2025**

RMB1.5 billion

**For the year ending
31 December 2026**

RMB1.5 billion

**For the year ending
31 December 2027**

RMB1.5 billion

- (iii) the amounts in respect of the supply of Materials for the Projects payable by the Group to the COLI Group will be settled pursuant to the payment terms set out in the tender documents for the relevant individual contracts of the supply of such Materials; and
- (iv) for the avoidance of doubt, the transactions contemplated under the Renewal Framework Agreement are entered into by the parties on a non-exclusive basis, and neither members of the Group nor members of the COLI Group shall be obliged to enter into any such transactions in relation to the supply/purchase of Materials for the Projects unless a successful tender is awarded.

Pricing Basis

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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Group will normally invite suppliers of Materials in the Group's approved list (which include members of the COLI Group) to participate in competitive tenders for the Projects as suppliers of Materials in accordance with its standard and systematic tendering procedures. To the extent a potential supplier which the Group would like to invite is not yet on the Group's approved list, such potential supplier will be required to first submit an application to be listed as the Group's approved supplier through the procedures as set out under the paragraph (i) of a sub-section headed "*1. Invitations to Tender*" in the Circular.

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

The price and terms of the tenders awarded by member(s) of the Group to member(s) of the COLI Group for the supply of Materials for the Projects 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 COLI Group are no more favourable than those awarded to independent third parties.

In assessing the fairness and reasonableness of the terms in the Renewal Framework Agreement, we have obtained and reviewed both the Existing Framework Agreement and the Renewal Framework Agreement. We noted that the major terms in the Renewal Framework Agreement are similar with those in the Existing Framework Agreement which was approved by the independent shareholders at the general meeting of the Company held on 20 June 2022.

In respect of the pricing basis, we have randomly obtained six historical transaction documents from the Management in relation to procurement of Materials by the Group from suppliers, including a contract awarded to the members of the COLI Group and comparing to a contract awarded to independent third party suppliers for each of 2022, 2023 and 2024. As the historical transaction documents are samples covering each of 2022, 2023 and 2024, being the effective period of Existing Framework Agreement, we consider such allocation is appropriate. We note from the aforementioned historical transaction documents that (i) at least three suppliers were invited to provide quotation for supplying certain Materials; (ii) the comparison process of quotations from the suppliers were reviewed and approved by corresponding responsible persons (being the responsible officers of finance and treasury department as well as cost management department); and (iii) the contracts were awarded to the supplier conforming to the technical requirements with a reasonable lowest price offered. Therefore, we consider that the pricing basis set in the Existing Framework Agreement, which are the same as those set in the Renewal Framework Agreement, have been complied with and the prices and terms of the individual contracts awarded by the members of the Group to the members of the COLI Group are not more favourable than those awarded by the Group to independent third party suppliers.

In view of the above, we consider that the terms of the Renewal Framework Agreement are on normal commercial terms, the terms of which are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

5. Calculation of the Caps

The Caps are calculated with reference to the following factors:

- (i) the annual caps, utilisation rates of annual caps and total contract sums of the supply of the Materials for the Projects by the COLI Group under the Existing Framework Agreement:

	For the year ended 31 December 2022	For the year ended 31 December 2023	For the year ending 31 December 2024
Annual caps and utilisation rates of annual caps under the Existing Framework Agreement	RMB3,000,000,000 (Approximately 58.26%)	RMB3,000,000,000 (Approximately 30.42%)	RMB3,000,000,000 (Approximately 23.20%) ^{Note}

Note: The utilisation rate of the annual cap is calculated with reference to the total contract sum for the supply of the Materials for the Projects by the COLI Group to the Group for the period from 1 January to 30 September 2024.

	For the year ended 31 December 2022	For the year ended 31 December 2023	For the period from 1 January to 30 September 2024
Total contract sums of the supply of the Materials for the Projects by the COLI Group to the Group under the Existing Framework Agreement	Approximately RMB1,747,843,000	Approximately RMB912,605,000	Approximately RMB696,058,000

The low utilisation rates of the annual caps under the Existing Framework Agreement and the decrease in historical contract sums were attributable to the decline of the overall real estate market in the PRC, which has affected the Group's schedule of property development and the size of the new construction area, and therefore reduced its procurement need during the term of the Existing Framework Agreement. The Board has considered the decrease in historical contract sums and the market condition when determining the fairness and reasonableness of the Caps, which are only 50% of the annual caps under the Existing Framework Agreement.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (ii) the estimated total contract sums of around RMB1.2-1.5 billion of the Materials required for the potential new Projects for each of the financial years ending on 31 December 2025, 2026 and 2027 and for which the Group may from time to time invite the COLI Group to tender, which are determined with reference to the number and scale of the potential new Projects and the costs of the corresponding Materials needed for the Projects and more specifically: (a) the expected new construction area for each year of 2025, 2026 and 2027, which is determined with reference to the number of Projects and the estimated new construction area of the Group in 2024 and the expectation of a moderate growth in the real estate market during the term of the Renewal Framework Agreement in light of the recent housing policies promulgated in the PRC; (b) the expected fully-renovated area for each year of 2025, 2026 and 2027, which is determined with reference to the historical fully-renovated proportion and the development plan and strategy of the Group; (c) the estimated basic decoration cost per sq.m. under the centralised Materials procurement, which is determined with reference to the cost of similar Projects delivered in 2024 on the assumption that such cost would remain stable during the term of the Renewal Framework Agreement; and (d) the estimated full-renovation cost per sq.m. under the centralised Materials procurement, which is determined with reference to the cost of similar Projects delivered in 2024 on the assumption that such cost would remain stable during the term of the Renewal Framework Agreement.

Based on the above factors, the estimated total contract sums of the Materials required for the potential new Projects for each of the three financial years ending 31 December 2027 are determined to be in the range of RMB1.2 billion to RMB1.5 billion. The Caps of RMB1.5 billion (the highest in the range) for each of the three financial years ending 31 December 2027 are set to tally with the possibility of the Group rescheduling its development plan which may affect its procurement schedule. From time to time, the Group will review the real estate market conditions and the property sales of the Group, and may adjust its development plan during the term of the Renewal Framework Agreement, bringing forward some Projects which are scheduled to commence in the later years and vice versa.

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

In assessing the fairness and reasonableness of the Caps, we have reviewed the historical contract sum of the supply of the Materials for the Projects by the COLI Group, the existing annual caps under the Existing Framework Agreement (the “**Existing Caps**”) and the Caps. We noted that (i) the Caps for the three years ending 31 December 2027 of RMB1.5 billion represent a decrease of 50% as compared to the Existing Caps for the three years ending 31 December 2024; (ii) the highest historical contract sum of the supply of the Materials for the Projects by the COLI Group during the validity period of the Existing Framework Agreement reached approximately RMB1.7 billion in FY2022; and (iii) the historical contract sum of the supply of the Materials for the Projects by the COLI Group for the nine months ended 30 September 2024 reached approximately RMB0.7 billion, representing approximately 23.2% of the Existing Caps.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We have reviewed the detailed calculation of the Caps and discussed with the Management on the basis and assumptions used in such calculation. We understood that the Caps are determined with reference to the estimated total contract sum of the Materials required for the potential new Projects which are calculated as the sum of (i) the expected new construction area for each year of 2025, 2026 and 2027 multiplied by the estimated basic decoration cost per sq.m. under the centralised Materials procurement; and (ii) the expected fully-renovated area for each year of 2025, 2026 and 2027 multiplied by the estimated full-renovation cost per sq.m. under the centralised Materials procurement. The expected new construction area is determined with reference to the number of development Projects and estimated new construction area of the Group in 2024. The expected fully-renovated area is calculated with reference to the historical fully-renovated proportion and the development plan of the Group. The estimated basic decoration cost and full-renovation cost per sq.m. under the centralised Materials procurement are determined with reference to the basic decoration cost and full-renovation cost of similar Projects delivered in 2024. We have obtained and reviewed the (i) land bank and development plan as stated in the 2023 AR and 2024 IR of the Company; (ii) the number and the gross floor area (“GFA”) of expected new Projects and in 2024-2027; and (iii) historical proportion of fully-renovated area to the new construction area and basic decoration and full-renovation cost for similar Projects delivered in 2024 of the Company. We noted (i) the expected new construction area for each of 2025, 2026 and 2027 is within the GFA of total land bank of the Group as disclosed in the 2024 IR and in line with the development plan of the Group to be completed in 2024 and expected number and GFA of new Projects for 2025-2027; (ii) the expected proportion of fully-renovated area to the new construction area is higher than the historical fully-renovated proportion, which is in line with the strategy of gradually increase the supply of fully-renovated flats as stated in the 2023 AR; and (iii) the estimated basic decoration cost and full-renovation cost per sq.m. under the centralised Materials procurement are in line with the historical basic decoration cost and historical full-renovation costs for similar projects delivered in 2024. Therefore, we consider the estimation used in the model for determining the Caps are in line with the Group’s land bank and development plan and the relevant historical basic decoration and full-renovation cost.

Having considered (i) the historical contract sum in respect of the supply of Materials awarded to the COLI Group for FY2022, FY2023 and nine months ended 30 September 2024; (ii) the Caps are determined with reference to the expected total contract sum in respect of the supply of Materials that could be awarded to the COLI Group; and (iii) the Caps will continue to provide the Group with a supplier that could potentially offer a bulk purchase discount, we consider that the Caps are set to accommodate the potential contract sum of procurement of the Materials by the Group from the COLI Group and are fair and reasonable.

6. Internal control procedures

The Group has established certain internal control procedures for the transactions contemplated under the Renewal Framework Agreement, details of which are included in section headed “INTERNAL CONTROL MEASURES” in the Circular.

Pursuant to Rules 14A.55 and 14A.56 of the Listing Rules, the independent non-executive Directors and auditor of the Company will conduct annual review and issue confirmations regarding the continuing connected transactions of the Company each year. We have reviewed the Group’s annual report for FY2022 and FY2023 and noted that the independent non-executive directors and the auditor of the Company have reviewed the non-exempt continuing connected transactions during such

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

years and provided the relevant confirmations. As confirmed with the Company, the Company will continue to comply with the relevant annual review requirement under the Listing Rules on an on-going basis and therefore the transactions contemplated under the Renewal Framework Agreement will be reviewed annually by the independent non-executive directors and the auditor of the Company.

In addition, we have also obtained and reviewed (i) the Measures on Materials Management of the Group and are of view the terms and conditions in such internal measures are consistent with those listed in the Letter from the Board; and (ii) six historical transaction documents in relation to procurement of Materials by the Group from suppliers (including three contracts awarded to the members of the COLI Group and three contracts awarded to independent third party suppliers) in 2022, 2023 and 2024, where we noted that the (a) the contracts were awarded to the supplier conforming to the technical requirements with a reasonable lowest price offered after the quotation comparison process; (b) the prices and terms of the individual contracts awarded by the members of the Group to the members of the COLI Group are not more favourable than those awarded by the Group to independent third party suppliers; and (c) the contract amounts awarded to connected persons of the Company were monitored by the internal system of the Company.

Based on the above, we are of the view that there are effective internal control measures in place to continue to monitor the continuing connected transactions under the Renewal Framework Agreement and the Caps, and hence the interest of the Shareholders would be safeguarded.

RECOMMENDATION

Having considered the above principal factors and reasons discussed above, we consider that (i) the terms of the Renewal Framework Agreement (together with the Caps) 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 Framework Agreement (together with the Caps) is 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 vote in favour of the ordinary resolution to be proposed at the GM to approve the Renewal Framework Agreement (together with the Caps).

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 Futures 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); (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 of the Company

Name of Director	Capacity	Number of Shares held	Approximate percentage of the Shares in issue⁽¹⁾
Mr. Zhuang Yong	Beneficial owner	800,825	0.02%
Mr. Yang Lin	Beneficial owner	2,550,000	0.07%
Mr. Zhou Hancheng	Beneficial owner	810,000	0.02%
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	
Ms. Liu Ping	Interest of spouse	200,000	0.01%
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 Kee, 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); (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 (if any) was a director or employee of a company which had an interest or short position in the Shares and underlying Shares 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
Ms. Liu Ping	COLI	General Manager of the Finance and Treasury Department

DIRECTORS' INTERESTS IN ASSETS

As at the Latest Practicable Date, none of the Directors or proposed Directors (if any) had any direct or indirect interest in any assets which had been, since 31 December 2023 (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

As 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 2023, 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, Ms. Liu Ping, a Non-executive Director of the Company, is also the general manager of the finance and treasury department of COLI. COHL and COLI are principally engaged in investment holding, property development, commercial property operations, and related businesses.

The Board is independent of the boards of directors of COHL and COLI. 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 (if any) or their respective close associates (as if each of them was 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 followings 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

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.

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 references to its name in the form and context in which they are included.

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 2023 (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.

The letter from the Independent Financial Adviser is given as of the date of this circular for incorporation herein.

DOCUMENT ON DISPLAY

Copy of the Renewal Framework Agreement will be published on the HKEXnews website (<https://www.hkexnews.hk>) and the website of the Company (<https://www.cogogl.com.hk/en>) for a period of 14 days from the publication date of this circular.

NOTICE OF GM



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 Monday, 9 December 2024 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 15 November 2024 of which this notice forms part (the “**Circular**”).

ORDINARY RESOLUTION

“THAT:

- (A) (i) the Renewal Framework 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 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 2025 and 31 December 2027 be and are hereby approved;
- (B) any one Director (or any two Directors or any two persons appointed by the Board, 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 Framework 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, 15 November 2024

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

NOTICE OF GM

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 and are also available on the website of the Company (<https://www.cogogl.com.hk/en>) and the HKEXnews website (<https://www.hkexnews.hk>).
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 not later than 10:00 a.m. on Friday, 6 December 2024.
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 its legal representative, director(s) 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 Wednesday, 4 December 2024 to Monday, 9 December 2024 (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 Tuesday, 3 December 2024.
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 (<https://www.hkexnews.hk>) and on the website of the Company at (<https://www.cogogl.com.hk/en>).
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 are non-executive Directors, namely Mr. Billy Yung Kwok Kee and Ms. Liu Ping, and three are independent non-executive Directors, namely Dr. Timpson Chung Shui Ming, Mr. Jeffrey Lam Kin Fung and Mr. Andrew Fan Chun Wah.