中海物業
CHINA OVERSEAS PROPERTY

CHINA OVERSEAS PROPERTY HOLDINGS LIMITED
中 海 物 業 集 團 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2669)

CONNECTED TRANSACTION
CAPITAL INCREASE IN CHINA CONSTRUCTION PROPERTY MANAGEMENT CO., LTD.*

THE CAPITAL INCREASE AGREEMENT

The Board is pleased to announce that, on 24 December 2025, Beijing Zhonghai, China Overseas Hongyang and China Overseas Haihui (all being indirect wholly-owned subsidiaries of the Company) entered into the Capital Increase Agreement with CSCAM (being a direct wholly-owned subsidiary of CSCEC) and the Target Company, pursuant to which Beijing Zhonghai, China Overseas Hongyang and China Overseas Haihui shall contribute approximately RMB13.9 million, RMB13.9 million and RMB11.2 million (i.e. RMB39.0 million in aggregate) to the Target Company respectively. Of the Consideration, approximately RMB37.8 million will be used to increase the registered capital of the Target Company and approximately RMB1.2 million will be used to increase the capital reserve of the Target Company. CSCAM will waive its pre-emptive right in respect of the Capital Increase.

Upon Completion of the Capital Increase, Beijing Zhonghai, China Overseas Hongyang and China Overseas Haihui will respectively hold approximately 25%, 25% and 20% (i.e. 70% in aggregate) of the enlarged equity interests in the Target Company. The Target Company will become a subsidiary of the Company, and its financial results will be consolidated into the financial statements of the Group using merger accounting method in accordance with the prevailing accounting standards in Hong Kong.

LISTING RULES IMPLICATIONS

As of the date of this announcement, CSCEC is the ultimate holding company of the Company. COHL, a subsidiary of CSCEC, is the controlling shareholder of the Company by virtue of it being interested in approximately 61.24% of the issued share capital of the Company. CSCAM, being a direct wholly-owned subsidiary of CSCEC, is therefore a connected person of the Company. As such, the entering into of the Capital Increase Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the Capital Increase Agreement is more than 0.1% but less than 5%, the entering into of the Capital Increase Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements but are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that, on 24 December 2025, Beijing Zhonghai, China Overseas Hongyang and China Overseas Haihui (all being indirect wholly-owned subsidiaries of the Company) entered into the Capital Increase Agreement with CSCAM (being a direct wholly-owned subsidiary of CSCEC) and the Target Company, pursuant to which Beijing Zhonghai, China Overseas Hongyang and China Overseas Haihui shall contribute approximately RMB13.9 million, RMB13.9 million and RMB11.2 million (i.e. RMB39.0 million in aggregate) to the Target Company respectively. Of the Consideration, approximately RMB37.8 million will be used to increase the registered capital of the Target Company and approximately RMB1.2 million will be used to increase the capital reserve of the Target Company. CSCAM will waive its pre-emptive right in respect of the Capital Increase.

Upon Completion of the Capital Increase, Beijing Zhonghai, China Overseas Hongyang and China Overseas Haihui will respectively hold approximately 25%, 25% and 20% (i.e. 70% in aggregate) of the enlarged equity interests in the Target Company. The Target Company will become a subsidiary of the Company, and its financial results will be consolidated into the financial statements of the Group using merger accounting method in accordance with the prevailing accounting standards in Hong Kong.

THE CAPITAL INCREASE AGREEMENT

The principal terms of the Capital Increase Agreement are set out as follows:

Date: 24 December 2025

Parties:

(1) Beijing Zhonghai (an indirect wholly-owned subsidiary of the Company);

(2) China Overseas Hongyang (an indirect wholly-owned subsidiary of the Company);

(3) China Overseas Haihui (an indirect wholly-owned subsidiary of the Company);

(4) CSCAM (a direct wholly-owned subsidiary of CSCEC); and

(5) the Target Company (a direct wholly-owned subsidiary of CSCAM as at the date of this announcement).

The Capital Increase and Consideration: Beijing Zhonghai, China Overseas Hongyang and China Overseas Haihui agreed to contribute approximately RMB13.9 million, RMB13.9 million and RMB11.2 million (the "**Consideration**") to the Target Company respectively, of which approximately RMB13.5 million, RMB13.5 million and RMB10.8 million will be used to increase the registered capital of the Target Company and approximately RMB0.4 million, RMB0.4 million and RMB0.4 million will be used to increase the capital reserve of the Target Company respectively. CSCAM will waive its pre-emptive right in respect of the Capital Increase. Upon Completion of the Capital Increase, Beijing Zhonghai, China Overseas Hongyang and China Overseas Haihui will respectively hold approximately 25%, 25% and 20% of the equity interests in the Target Company.

Set out below is the equity-holding structure of the Target Company immediately before and after Completion of the Capital Increase:

Unit: Million Currency: RMB

Equity-holder	Immediately before Completion		Capital Injection *(approximately)*	Immediately after Completion			
	Registered capital	Equity-holding percentage		Registered capital Existing	Registered capital New issue *(approximately)*	Equity- holding percentage	Capital reserve contribution *(approximately)*
CSCAM	16.2	100%	–	16.2	–	30%	–
Beijing Zhonghai	–	–	13.9	–	13.5	25%	0.4
China Overseas Hongyang	–	–	13.9	–	13.5	25%	0.4
China Overseas Haihui	–	–	11.2	–	10.8	20%	0.4
Total:	16.2	100%	39.0	54.0		100%	1.2

The Consideration was determined after arm's length negotiations between the Capital Contributors and CSCAM, having taken into account, among other things:

(1) the registered capital of the Target Company in the amount of RMB16.2 million as at the date of the Capital Increase Agreement;

(2) the Group's intention to acquire 70% of the enlarged equity interests in and control of the Target Company;

(3) pursuant to an entrusted management agreement dated 15 August 2023 (the "**Entrusted Management Agreement**"), the Target Company has entrusted the management of its property management and the newly-developed urban supporting facilities management businesses to the Group, which helped contribute to the Target Company's positive track record in its property management and urban supporting facilities management businesses (for the avoidance of doubt, the entering into of the Entrusted Management Agreement and the transactions contemplated thereunder are within the de minimis threshold under Chapter 14A of the Listing Rules, and following Completion, the said agreement will be terminated);

(4) the Target Company's obtaining of "A" class national qualification certificate in property management on 17 August 2011;

(5) the existing property management and urban supporting facilities management contracts portfolio of the Target Company with around 17 projects, and the Target Company's possession of an experienced team of dedicated professionals who are deployed to such projects, which are expected to help generate a steady stream of income; and

(6) the synergy expected to be brought by the Capital Increase as shown under the internal feasibility study report prepared by the Group, since the urban supporting facilities management businesses of the Target Company (in particular, its strategic position within the area of Zhangjiakou) can complement and integrate with the Group's plan to expand on its provision of urban supporting facilities management businesses in that area, thus strengthening the Group's principal business and enhancing its future business prospects in the urban supporting facilities management market in Mainland China.

After taking into account the aforementioned factors, CSCAM's equity-holding in the Target Company as at 31 March 2025 (the "**Reference Date**") was agreed by the parties to be approximately RMB16.8 million (the "**Agreed Value**"), and the Consideration for 70% of the enlarged equity interests in the Target Company payable by the Capital Contributors should therefore be approximately RMB39.0 million.

In addition, the Directors consider that the Consideration is justifiable based on the quantitative analysis set out below:

(1) From the earnings perspective and based on the audited financial statements of the Target Company for the years ended 31 December 2023 and 31 December 2024, together with an unaudited management account of the Target Company for the nine months from 1 January 2025 to 30 September 2025, the Company assessed that the annualized average profit attributable to the owner of the Target Company during the track record period from 1 January 2023 to 30 September 2025 amounted to approximately RMB7.5 million, representing a historical

price to earnings ratio ("**P/E Ratio**") of approximately 2.2 times as compared to the Agreed Value of approximately RMB16.8 million. Based on an internal feasibility study report prepared by the Group, it is also noted that the P/E Ratios of several similar acquisitions of property management companies between January 2024 and September 2025 ranged from approximately 8.7 times to 9.1 times.

(2) Based on the profit attributable to the owners of the Company for the year ended 31 December 2024 of RMB1,510.9 million, the P/E Ratio of the Company would be approximately 9.1 times based on the average market capitalisation of approximately RMB13,786.6 million (average market capitalisation for the last five trading days prior to the signing date of the Capital Increase Agreement). The P/E Ratio of the Target Company calculated above is much lower than that of the Company.

The Consideration will be funded by internal resources.

Payment terms: The Capital Contributors shall, within 3 days following the date of the Capital Increase Agreement, pay their respective part of the Consideration in cash to the Target Company.

Completion: Within 5 working days following the date the Consideration is received by the Target Company, the Capital Contributors shall be registered as equity-holders of the Target Company, and the change of industrial and business registration and filing procedures (the "**Registration Procedures**") (including (1) filing with the industrial and business administrative authority the updated registers of the Target Company's shareholders, directors and senior management and its amended articles of association and (2) obtaining the Target Company's new business license issued by the industrial and business administrative authority) shall be completed.

The date of completion of the Capital Increase ("**Completion**") (the "**Completion Date**") shall be the date on which:

(1) the Registration Procedures for the change of equity-holders of the Target Company is completed; and

(2) the business license, company seals, online banking details, personnel roster, ledger in relation to subsisting contracts and the original contracts of the Target Company are (a) handed over to the designated person of the Capital Contributors and (b) confirmed as so handed over by the parties after stocktaking of the aforementioned documents by the Capital Contributors.

Economic Benefits: Pursuant to the Capital Increase Agreement, commencing from the date after the Reference Date on which the Agreed Value is compromised (i.e. 1 April 2025), the economic benefits, inclusive of all risks and rewards on ownership will be shared by the then shareholders in accordance with their equity-holding percentage.

Corporate governance of the Target Company following Completion:

(1) The board of directors of the Target Company shall consist of 3 directors, among which one director shall be nominated by China Overseas Hongyang, one by China Overseas Haihui and one by CSCAM. The chairman of the board shall be appointed by the board. The term of office of each director of the Target Company shall be three years.

(2) The Target Company shall form an audit committee consisting of three members, all of whom shall be directors of the Target Company. The term of office of each member of the audit committee shall be three years.

(3) Out of the senior management of the Target Company, the general manager (who will also be the legal representative) shall be a person nominated by China Overseas Haihui and one of the deputy general managers shall be a person nominated by CSCAM. The term of office of each of them shall be three years. The chief financial officer shall be nominated by the general manager and approved by the board of directors of the Target Company.

(4) The Target Company shall convene a shareholders' meeting and a board meeting within 5 working days after the Consideration has been received by the Target Company to resolve on the appointment of the above-mentioned personnels in accordance with the Capital Increase Agreement, and complete the Registration Procedures for the newly-appointed directors and general manager.

Liability for Breach of Contract	Upon the occurrence of any breach of the Capital Increase Agreement, the defaulting party shall, within 30 days of receipt of the non-defaulting party's written notice, rectify such breach and compensate the non-defaulting party for all losses suffered or incurred by the non-defaulting party or the Target Company as a result of such breach.

Information on the Target Company

The Target Company is a company incorporated in the PRC with limited liability. It was established in 1993 by CSCEC with an initial registered capital of RMB1.0 million, which was further increased to RMB5.0 million in 2003. In 2022, the Target Company was internally transferred to CSCAM, and a further capital of RMB11.2 million was contributed by CSCAM in the same year. As at the date of this announcement, the registered capital of the Target Company in the amount of RMB16.2 million has been fully paid. The Target Company is principally engaged in property management and urban supporting facilities management in Zhangjiakou, Beijing and Huizhou, which is respectively operated by the Target Company and its two branch offices established in Beijing and Huizhou.

According to the audited financial statements of the Target Company, prepared in accordance with the Chinese Accounting Standards, the audited net profit before and after taxation of the Target Company for the two financial years ended 31 December 2023 and 2024 respectively are set out below:

	For the year ended 31 December	
	2023	2024
	(RMB million)	*(RMB million)*
Net profit before taxation	4.4	6.2
Net profit after taxation	4.4	6.4

The unaudited net asset value of the Target Company as of 30 September 2025 was approximately RMB12.3 million.

Upon Completion of the Capital Increase, Beijing Zhonghai, China Overseas Hongyang and China Overseas Haihui will respectively hold approximately 25%, 25% and 20% (i.e. 70% in aggregate) of the enlarged equity interests in the Target Company. The Target Company will become a subsidiary of the Company, and its financial results will be consolidated into the financial statements of the Group using merger accounting method in accordance with the prevailing accounting standards in Hong Kong.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CAPITAL INCREASE AGREEMENT

The Capital Increase will provide a good opportunity for the Group to expand its business presence and operating scales in Zhangjiakou, and to enable the Group to strengthen its position and competitiveness as one of the leading property management companies in Mainland China, having considered the following factors:

(1) In order to implement and focus on the strategic positioning of the Group as an urban space comprehensive operator, it is the Group's major objective to engage in and expand its urban operation service field, including the urban supporting facilities management businesses which the Target Company principally engaged in.

(2) The Capital Increase will strengthen the Group's principal businesses and enhance its future business prospects in the urban supporting facilities management market in Mainland China, since the urban supporting facilities management of the Target Company (in particular, its strategic position within the area of Zhangjiakou) can complement and integrate with the Group's plan to expand on its provision of urban supporting facilities management businesses in that area.

(3) The existing property management and urban supporting facilities management contracts portfolio of the Target Company with around 17 projects, and the Target Company's possession of an experienced team of dedicated professionals who are deployed to such projects, which are expected to generate a steady stream of income.

(4) As the Target Company has entrusted the management of its property management and the newly-developed urban supporting facilities management businesses to the Group since August 2023, and as CSCAM has agreed for the Target Company to continue to use its brand name "中建物業", the merger through the Capital Increase will allow a smooth transition and management control by the Group to align with the Group's policy and culture, as well as enable the Group to be able to tap into the opportunities in the market as soon as possible. For instance, through the strategic cooperation under the Entrusted Management Agreement, the Target Company has successfully won several major urban supporting facilities management projects in Zhangjiakou in 2024.

The Directors (including all the independent non-executive Directors) are of the view that the entering into of the Capital Increase Agreement and the transactions contemplated thereunder are on normal commercial terms and in the ordinary and usual course of business of the Group, the terms of the Capital Increase Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION ON THE PARTIES

The Company is one of the leading property management companies in the PRC with operations also covering Hong Kong and Macau. The Group is principally engaged in the provision of property management services, value-added services to non-residents and residents and car parking space trading business.

Beijing Zhonghai is a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company. Beijing Zhonghai is primarily engaged in real estate management.

China Overseas Hongyang is a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company. China Overseas Hongyang is primarily engaged in real estate management.

China Overseas Haihui is a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company. China Overseas Haihui is primarily engaged in real estate management.

CSCAM is a limited liability company incorporated in the PRC and a direct wholly-owned subsidiary of CSCEC. CSCAM is primarily engaged in asset management.

CSCEC (a state-owned corporation in the PRC) is the ultimate controlling shareholder of the Company. CSCEC, together with its subsidiaries (excluding those listed on any stock exchange), is a conglomerate principally engaged in building construction, international contracting, real estate development and investment, infrastructure construction and investment and design and prospecting.

LISTING RULES IMPLICATIONS

As of the date of this announcement, CSCEC is the ultimate holding company of the Company. COHL, a subsidiary of CSCEC, is the controlling shareholder of the Company by virtue of it being interested in approximately 61.24% of the issued share capital of the Company. CSCAM, being a direct wholly-owned subsidiary of CSCEC, is therefore a connected person of the Company. As such, the entering into of the Capital Increase Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the Capital Increase Agreement is more than 0.1% but less than 5%, the entering into of the Capital Increase Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements but are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As none of the Directors has any material interest in the Capital Increase Agreement and the transactions contemplated thereunder, none of them is required to abstained from voting on such Board resolutions.

DEFINITIONS

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

"Agreed Value"	has the meaning ascribed to it under the section headed "THE CAPITAL INCREASE AGREEMENT – The Capital Increase and Consideration" in this announcement
"Beijing Zhonghai"	北京中海物業管理有限公司 (Beijing Zhonghai Property Management Co., Ltd.*), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
"Board"	the board of Directors of the Company
"Capital Contributors"	together, Beijing Zhonghai, China Overseas Hongyang and China Overseas Haihui, and "Capital Contributor" means any of them

"Capital Increase"	the capital increase to the Target Company by Beijing Zhonghai, China Overseas Hongyang and China Overseas Haihui in the amount of approximately RMB13.9 million, RMB13.9 million and RMB11.2 million (i.e. RMB39.0 million in aggregate) respectively pursuant to the Capital Increase Agreement, among which approximately RMB37.8 million will be used to increase the registered capital of the Target Company and approximately RMB1.2 million will be used to increase the capital reserve of the Target Company
"Capital Increase Agreement"	the capital increase agreement entered into by Beijing Zhonghai, China Overseas Hongyang, China Overseas Haihui, CSCAM and the Target Company on 24 December 2025 in relation to the Capital Increase
"China Overseas Haihui"	中海海惠物業服務有限公司 (China Overseas Haihui Property Services Co., Ltd.*), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
"China Overseas Hongyang"	中海宏洋物業管理有限公司 (China Overseas Hongyang Property Management Co., Ltd.*), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
"COHL"	China Overseas Holdings Limited, a company incorporated in Hong Kong with limited liability and the controlling shareholder of the Company
"Company"	China Overseas Property Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 2669)
"Completion"	has the meaning ascribed to it under the section headed "THE CAPITAL INCREASE AGREEMENT – Completion" in this announcement
"Completion Date"	has the meaning ascribed to it under the section headed "THE CAPITAL INCREASE AGREEMENT – Completion" in this announcement

"Consideration"	has the meaning ascribed to it under the section headed "THE CAPITAL INCREASE AGREEMENT – The Capital Increase and Consideration" in this announcement
"CSCAM"	中建資產管理有限公司 (China Construction Asset Management Co., Ltd.*), a company incorporated in the PRC with limited liability and a direct wholly-owned subsidiary of CSCEC
"CSCEC"	中國建築集團有限公司 (China State Construction Engineering Corporation*), a state-owned corporation organized and existing under the laws of the PRC, and the ultimate holding company of the Company
"connected person(s)", "controlling shareholder(s)" and "subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Entrusted Management Agreement"	has the meaning ascribed to it under the section headed "THE CAPITAL INCREASE AGREEMENT – The Capital Increase and Consideration" in this announcement
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"P/E Ratio"	has the meaning ascribed to it under the section headed "THE CAPITAL INCREASE AGREEMENT – The Capital Increase and Consideration" in this announcement
"PRC"	the People's Republic of China
"Reference Date"	has the meaning ascribed to it under the section headed "THE CAPITAL INCREASE AGREEMENT – The Capital Increase and Consideration" in this announcement
"Registration Procedures"	has the meaning ascribed to it under the section headed "THE CAPITAL INCREASE AGREEMENT – Completion" in this announcement

"RMB"	Renminbi, the lawful currency of the PRC
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	中建物業管理有限公司 (China Construction Property Management Co., Ltd.*), a company incorporated in the PRC with limited liability and a direct wholly-owned subsidiary of CSCAM as at the date of this announcement
"%"	per cent

* *For identification purpose only.*

By order of the Board
China Overseas Property Holdings Limited
Zhang Guiqing
Chairman and Executive Director

Hong Kong, 24 December 2025

As at the date of this announcement, the Board comprises seven Directors, of which three are Executive Directors, namely Mr. Zhang Guiqing (Chairman), Mr. Xiao Junqiang (Chief Executive Officer) and Mr. Kam Yuk Fai (Chief Financial Officer); two are Non-executive Directors, namely, Mr. Guo Lei and Ms. Ng, Yat Wing Athena; and two are Independent Non-executive Directors, namely, Mr. Yung, Wing Ki Samuel and Mr. Lim, Wan Fung Bernard Vincent.