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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 CONTINUING CONNECTED TRANSACTIONS WITH HUA YI DESIGN CONSULTANTS LIMITED IN RELATION TO DESIGN SERVICES

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement of the Company dated 16 December 2022 in relation to, among other things, the Existing Framework Agreement entered into between the Company and Huayi Design (a wholly-owned subsidiary of COLI), pursuant to which the Group might engage the Huayi Design Group to provide Services to the Group's property development 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 2023 to 31 December 2025.

The Existing Framework Agreement will expire on 31 December 2025 and the Group expects to continue to invite the Huayi Design Group to participate in competitive tenders for the provision of Services to the Group's property development projects and to engage the Huayi Design Group upon its successful tender(s). As such, on 31 December 2025, the Company and Huayi Design entered into the Renewal Framework Agreement for a term of three years from 1 January 2026 to 31 December 2028.

LISTING RULES IMPLICATIONS

As at the date of this announcement, COLI holds approximately 39.63% of the issued share capital of the Company. Therefore, Huayi Design (a wholly-owned subsidiary of COLI) is a connected person of the Company and the transactions contemplated under the Renewal Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

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

INTRODUCTION

Reference is made to the announcement of the Company dated 16 December 2022 in relation to, among other things, the Existing Framework Agreement entered into between the Company and Huayi Design (a wholly-owned subsidiary of COLI), pursuant to which the Group might engage the Huayi Design Group to provide Services to the Group's property development 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 2023 to 31 December 2025.

The Existing Framework Agreement will expire on 31 December 2025 and the Group expects to continue to invite the Huayi Design Group to participate in competitive tenders for the provision of Services to the Group's property development projects and to engage the Huayi Design Group upon its successful tender(s). As such, on 31 December 2025, the Company and Huayi Design entered into the Renewal Framework Agreement for a term of three years from 1 January 2026 to 31 December 2028.

RENEWAL FRAMEWORK AGREEMENT

Set out below are the principal terms of the Renewal Framework Agreement.

Date

31 December 2025

Parties

1. The Company; and

2. Huayi Design.

Subject Matter

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

1. any member of the Huayi Design Group may submit tender for the provision of Services to the Group's property development projects in accordance with the standard and systematic tendering procedures of the Group in force from time to time for a term of three years commencing from 1 January 2026 and ending on 31 December 2028 (for details on the Group's tendering procedures, please refer to the sections headed "RENEWAL FRAMEWORK AGREEMENT – Pricing Basis" and "RENEWAL FRAMEWORK AGREEMENT – Tendering Procedures" of this announcement);

2. if any contract is granted in favour of any member of the Huayi Design Group as a result of a successful tender, such member of the Huayi Design Group may provide Services to the Group's property development 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 Services that may be awarded by the Group to the Huayi Design Group for the following years shall not exceed the corresponding Caps as set out below:

For the year ending 31 December 2026	**For the year ending 31 December 2027**	**For the year ending 31 December 2028**
RMB36 million	RMB36 million	RMB36 million

3. the fees payable for the Services by the Group to the Huayi Design Group will be settled pursuant to the payment terms set out in the individual tender documents or contracts; 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 Huayi Design Group shall be obliged to enter into any such transactions in relation to the Services unless a successful tender has been 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 Huayi Design 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 service providers.

The Group will normally invite service providers in the Group's approved list (which includes members of the Huayi Design Group) to participate in competitive tenders for the provision of Services to the Group's property development projects in accordance with its standard and systematic tendering procedures. If a potential service provider which the Group would like to invite is not yet in the Group's approved list, such potential service provider will be required to first submit an application to be listed as the Group's approved service provider 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 Huayi Design 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 Huayi Design 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 Huayi Design Group for the Services 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 member(s) of the Group to member(s) of the Huayi Design 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 service providers (which is subject to periodic review and update by its management). All service providers invited to submit tenders for the provision of Services to the Group's property development projects are selected from such list. Service providers in the list include those with or without prior working history with the Group. Service providers with working history with the Group will be subject to a suitability assessment annually. A service provider can be retained in the list if the result of such assessment is satisfactory to the Group. The Group will remove a service provider from the list if it fails to meet the minimum criteria for retention. If a service provider has no prior working history with the Group, the service provider will be subject to qualification evaluation and review (including assessment on its qualification, performance, reputation, techniques, funding, relationship with the Group's other approved service providers and/or employees) to ascertain if it is suitable for including the service provider in the list.

(ii) *Number of tenders to be invited:* not less than three tenders for the contracts for the provision of Services to the Group's property development projeccts will be invited. The aforesaid tenders shall include independent third party(ies).

(iii) *Selection of service providers to be invited to tender:* the suitability of a service provider is assessed with reference to selection criteria including but not limited to the service provider's qualification grade, technical capability, cooperation record, project management ability, quality of design and business management capability. Depending on the estimated value of the relevant contract and the compatibility of the project and the service provider, the relevant leader in charge of the district company, which manages and operates the business activities in the cities within its own district, shall conduct the vetting process to ascertain which service providers to be invited to tender, following which the letters of invitation to tender will be issued.

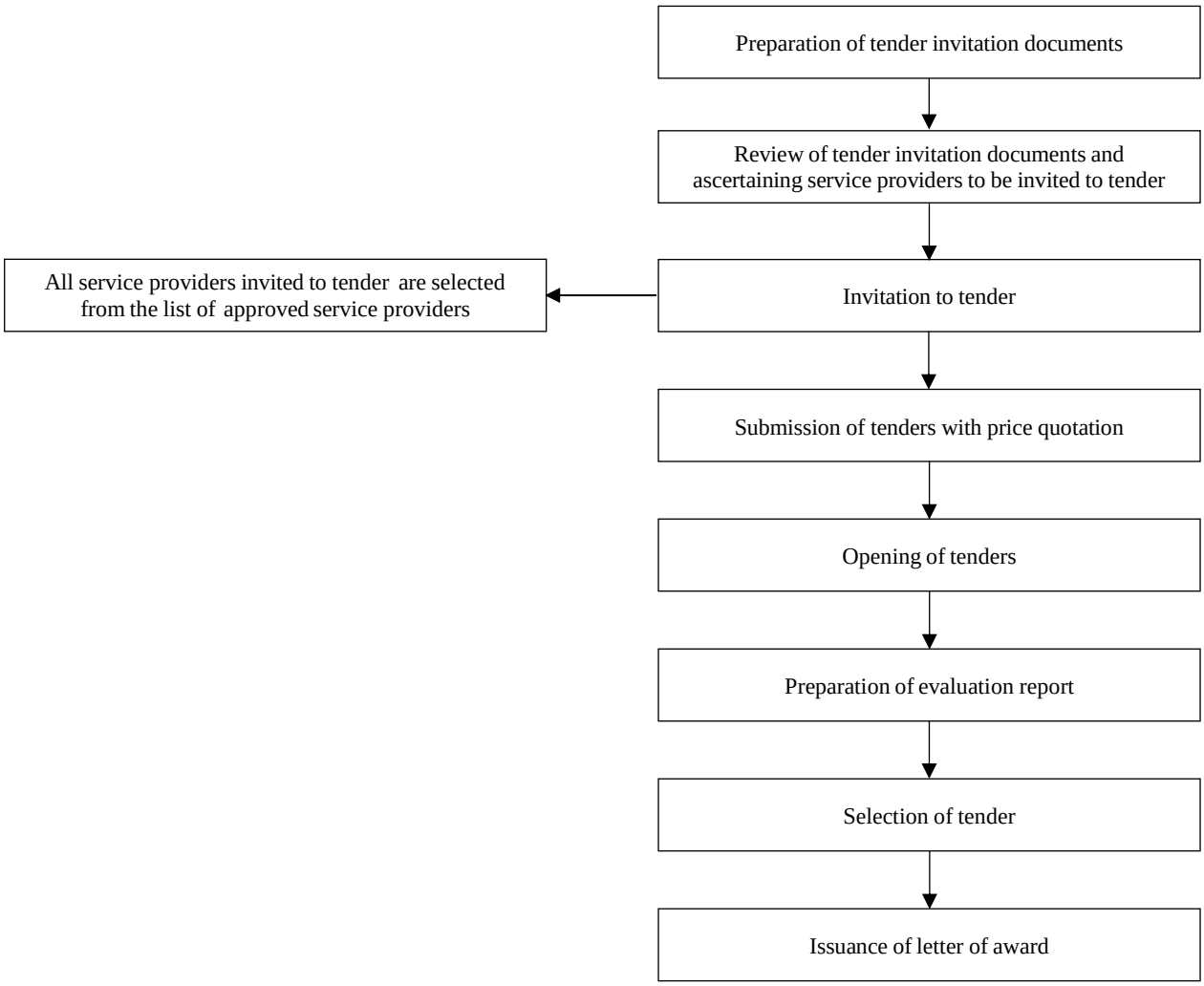
2. *Tendering and Selection of Tenders*

(i) *Tendering:* the Group has adopted an online tendering system which allows tenderers to submit their tenders online.

(ii) *Opening of tenders:* upon the deadline for tender submission, the submitted tenders will be opened through the online tendering system operated by the officer-in-charge of the tendering process from the Planning and Design Department of the Group. After the tenders are opened, the tender-opening records and uploaded information will be saved in the system and will be unalterable.

(iii) *Selection of tenders:* based on the Group's established system of tendering, there must be tender(s) from independent third party(ies) for selection. 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 decision-making body in a meeting where contents of the proposed tender, the service provider's capability and risk of default are given full consideration. The relevant decision-making body is the Group's engineering management committee (comprising the Company's Chief Executive Officer, the person in charge of each of the Finance and Treasury Department, Engineering Management Department, Cost Management Department, and Planning and Design Department of the headquarters, and the general manager of each of the Cost Management Department, Engineering Management Department, and Finance and Treasury Department of the headquarters), members of which are all independent of the COLI Group (including the Huayi Design Group). The relevant letter of award will be issued once the final decision is made in the meeting of the decision-making body based on the final tender amount.

Tendering Procedures



As part of the Group's tendering procedures, in the event that the expected contract amount involved is not more than RMB50,000 or no tenderer is available and it will not be appropriate for the Group to go through the above tendering procedures, the Group will seek quotations from at least three service providers (including independent third party(ies)), among which the lowest quotation will be selected on the condition that the selected service provider also satisfies the selection criteria as described above. The price and terms offered by any member of the Huayi Design Group shall be, from the Group's perspective, equal to or better than those offered by the independent third party service providers, in such case, the member(s) of the Group may consider accepting its quotation.

Basis of Calculation of the Caps

The Caps are calculated with reference to the following factors:

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

	For the year ended 31 December 2023	**For the year ended 31 December 2024**	**For the year ending 31 December 2025**
Historical caps	RMB30 million	RMB30 million	RMB30 million
Total contract sums awarded by the Group to the Huayi Design Group	Nil	Approximately RMB2,643,000	Approximately RMB13,142,000*(Note)*

Note: The amount of RMB13,142,000 represents the total contract sum awarded by the Group to the Huayi Design Group for the eleven months ended 30 November 2025.

2. given that (i) the Huayi Design Group has strong operations in the southern cities of the PRC; and (ii) there was a decrease in the number of the Group's property development projects which needed the Services for the years ended 31 December 2023 and 2024, the total contract sums awarded by the Group to the Huayi Design Group for the years ended 31 December 2023 and 2024 were relatively low. Starting from 2025, the Group has been having more property development projects in the cities where the Huayi Design Group has strong operations, contributing to a higher historical total contract sums for the eleven months ended 30 November 2025 as shown above. Also, in 2025, the PRC government began promoting the development of quality homes encompassing five aspects: quality standards, quality design, quality materials, quality development, and quality operation and maintenance. The Group will actively implement the development of quality homes which require quality design, and expects a steady increase in the number of its quality home development projects for the years ending 31 December 2026, 2027 and 2028, which would increase the demand for the Services to be provided by the Huayi Design Group (subject to successful tender); and

3. the estimated total contract sums of the Services provided to the Group's property development projects for each of the years ending 31 December 2026, 2027 and 2028 for which the Group may from time to time invite the Huayi Design Group to tender for, taking into account the number and scale of such projects during each year (based on the total gross floor area of approximately 1 to 2 million square meters of the land parcels acquired by the Group annually (estimation made by referencing figures from the years 2023 to the date of this announcement) and the total gross floor area of the land bank owned by the Group (referencing figure disclosed in the Company's 2025 interim report)), the expected increase in the Services needed for developing quality homes, and the prevailing market prices of the Services, which is approximately RMB10 per square meter of the total gross floor area.

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

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 relationship to, nor should be taken to have any direct bearing on, the Group's financial or potential financial performance. The Group may or may not engage the Huayi Design Group to provide the Services up to the level of the Caps, if at all, as its engagement is subject to the tendering procedures which are also open to other independent third party service providers.

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

The Directors consider that the Huayi Design Group is a professional group which possesses extensive experience in construction design. The Renewal Framework Agreement, subject to successful tender(s), enables the Group to engage the Huayi Design Group to provide Services to the Group's property development projects which will help ensure the quality of the construction design of such projects.

The Directors (including the independent non-executive Directors) 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 the Shareholders as a whole.

INTERNAL CONTROL MEASURES

In addition to the standard and systematic tendering procedures of the Group as mentioned in the sections headed "RENEWAL FRAMEWORK AGREEMENT — Pricing Basis" and "RENEWAL FRAMEWORK AGREEMENT — Tendering Procedures" in this announcement, 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 Group's Intendance and Audit Department will monitor and inspect the tendering procedure; and (ii) the internal system of the Group 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 Group to ensure that the caps will not be exceeded before entering into any transactions contemplated under the corresponding framework agreements;

2. the Group's Planning and Design Department and Finance and Treasury Department 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 Group 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 Group's Intendance and Audit Department 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 Group (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 after arm's length negotiations, 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 the Shareholders as a whole.

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 adequate, and will give sufficient assurance that such transactions contemplated under the Renewal Framework Agreement will be appropriately monitored by the Group.

INFORMATION ON THE PARTIES

The Group is principally engaged in property development and commercial property operations.

The Huayi Design Group, wholly owned by COLI, is mainly engaged in grade A specialized engineering design services in the fields of architectural decoration engineering design, building facade engineering design, light steel structure engineering design, building intelligent system design, lighting engineering design, and fire services facilities engineering design.

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

LISTING RULES IMPLICATIONS

As at the date of this announcement, COLI holds approximately 39.63% of the issued share capital of the Company. Therefore, Huayi Design (a wholly-owned subsidiary of COLI) is a connected person of the Company and the transactions contemplated under the Renewal Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

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

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

FURTHER INFORMATION REGARDING THE RENEWAL OF CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE DISPOSAL OF CAR PARKING SPACES

As disclosed in the Company's announcement dated 28 November 2025 (the "**Announcement**") regarding the renewal framework agreement in relation to the disposal of the rights-of-use of car parking spaces, the Company would like to supplement that the annual caps under the relevant framework agreement are calculated with reference also to, among other things, the historical transaction amounts between the Company and China Overseas Property Holdings Limited for the three years ended 31 December 2022, being (i) RMB90.13 million for the year ended 31 December 2020; (ii) RMB83.81 million for the year ended 31 December 2021; and (iii) RMB50.15 million for the year ended 31 December 2022. Further, the Company will compare the selling prices made to the independent third parties for at least three similar transactions (if any) when determining the consideration for the transactions under the relevant framework agreement to ensure that it will be no less favourable than those offered to other independent third parties.

The information contained hereinabove does not affect the other information contained in the Announcement. Save as disclosed above, all the other information and contents in the Announcement remain unchanged.

DEFINITIONS

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

"Board"	the board of Directors;
"Cap(s)"	the maximum total contract sum that may be awarded by the Group to the Huayi Design Group for the provision of Services to the Group's property development projects for each year under the Renewal Framework Agreement;
"COHL"	China Overseas Holdings Limited, a company incorporated in Hong Kong with limited liability and the 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 as at the date of this announcement;

"COLI Group"	COLI and its subsidiaries 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);
"connected person(s)", "continuing connected transaction(s)", "holding company", "percentage ratios" and "subsidiary(ies)"	each has the meaning ascribed to it under the Listing Rules;
"Director(s)"	the director(s) of the Company;
"Existing Framework Agreement"	the existing framework agreement entered into between the Company and Huayi Design on 16 December 2022 in respect of the engagement of the Huayi Design Group by the Group for the provision of Services to the Group's property development projects from time to time upon successful tender(s) of the Huayi Design Group during the period from 1 January 2023 to 31 December 2025;
"Group"	the Company and its subsidiaries from time to time;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"Huayi Design"	Hua Yi Design Consultants Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of COLI;
"Huayi Design Group"	Huayi Design and its subsidiaries from time to time;
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange;
"PRC"	People's Republic of China, but for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region and Taiwan;
"Renewal Framework Agreement"	the framework agreement entered into between the Company and Huayi Design on 31 December 2025 in respect of the engagement of the Huayi Design Group by the Group for the provision of Services to the Group's property development projects from time to time upon successful tender(s) of the Huayi Design Group during the period from 1 January 2026 to 31 December 2028;

"RMB"	Renminbi, the lawful currency of the PRC;
"Services"	services including scheme design, preliminary design and construction drawing design services in each construction stage (which include but not limited to general plan design, architectural design, structural design, facilities design, pipe network design, interior design, civil air defense design, and other special items designs; coordinate and cooperate with other designers engaged by the Group for interior design, landscape design and other designs);
"Shareholder(s)"	the shareholder(s) of the Company from time to time;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited; and
"%"	per cent.

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

Hong Kong, 31 December 2025

As at the date of this announcement, 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.