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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)

**CONTINUING CONNECTED TRANSACTIONS
LEASE FRAMEWORK AGREEMENT WITH CHINA STATE
CONSTRUCTION ENGINEERING CORPORATION LIMITED**

CONTINUING CONNECTED TRANSACTIONS

The Group has been leasing out various office premises in the Properties to the CSCECL Group. Such existing leases constituted continuing connected transactions of the Company, which in aggregate were *de minimis*. As the number of premises available for lease by the Group to the CSCECL Group and the total rent under such leases are expected to increase, on 30 September 2026, the Company and CSCECL entered into the Lease Framework Agreement, pursuant to which members of the CSCECL Group (as lessee) may lease the Properties from members of the Group (as lessor) during the period from 1 October 2026 to 31 December 2028 (both dates inclusive), subject to the terms of the Lease Framework Agreement and the Caps.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CSCECL is an intermediate holding company of COLI, which in turn holds approximately 39.63% of the issued share capital of the Company. Accordingly, CSCECL is a connected person of the Company and the transactions contemplated under the Lease 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 highest Cap is more than 0.1% but all are less than 5%, the transactions contemplated under the Lease Framework Agreement are only subject to reporting, announcement and annual review requirements but are exempt from the circular and independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

The Group has been leasing out various office premises in the Properties to the CSCECL Group. Such existing leases constituted continuing connected transactions of the Company, which in aggregate were *de minimis*. As the number of premises available for lease by the Group to the CSCECL Group and the total rent under such leases are expected to increase, on 30 September 2026, the Company and CSCECL entered into the Lease Framework Agreement, pursuant to which members of the CSCECL Group (as lessee) may lease the Properties from members of the Group (as lessor) during the period from 1 October 2026 to 31 December 2028 (both dates inclusive), subject to the terms of the Lease Framework Agreement and the Caps.

LEASE FRAMEWORK AGREEMENT

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

Date

30 September 2026

Parties

1. The Company; and
2. CSCECL.

Duration

From 1 October 2026 to 31 December 2028 (both dates inclusive).

Terms

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

1. the Company and CSCECL may enter into, or procure members of the Group (as lessor) and members of the CSCECL Group (as lessee) respectively to enter into, the Leasing Transactions in relation to the Properties in the ordinary and usual course of their respective businesses within the limit of the Caps; and
2. during the term of the Lease Framework Agreement, any member of the Group and any member of the CSCECL Group may from time to time enter into separate Definitive Leasing Agreements in relation to any Leasing Transactions, which shall set out the particular terms and conditions of the Leasing Transactions (including the payment terms) and be in compliance with the terms of the Lease Framework Agreement, in particular:
 - (i) the fees and terms of the Definitive Leasing Agreements shall be determined in the ordinary course of business, on normal commercial terms, negotiated on an arm's length basis, and shall be no more favourable to the CSCECL Group than those offered to the independent third parties by the Group; and

- (ii) the fees for the Leasing Transactions shall be based on the pricing basis under the Lease Framework Agreement, which is set out in the paragraph headed “Pricing Basis” below.

Pricing Basis

In assessing the fees for the Leasing Transactions in relation to the Properties, members of the Group will take into account of, among others, (i) the location, size, usage, nature and conditions of the Properties; (ii) the qualifications and contractual capacity of the potential tenants; (iii) the term of the leases; and (iv) the prevailing market fees of comparable properties within the proximity.

Caps

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

For the period from 1 October to 31 December 2026	For the year ending 31 December 2027	For the year ending 31 December 2028
RMB7,000,000	RMB30,000,000	RMB30,000,000

Basis of Determination of the Caps

The Caps are calculated with reference to the following factors:

1. the historical transaction amounts relating to leases of the Properties by the Group to the CSCECL Group from 1 January 2024 to 30 September 2026, which is set out in the paragraph headed “Historical Transaction Amounts” below;
2. the potential renewal or extension of the existing leases and the potential new leases to be entered into with members of the CSCECL Group, having regard to the respective locations, sizes, usages, nature, conditions of the Properties, and the prevailing market rental rates of comparable properties within the proximity;
3. the recent average monthly rent per square meter charged by the Group to its independent third parties tenants for properties comparable to the Properties in terms of type, size and location in 2026; and
4. a reasonable buffer to cater for potential increases in demand from members of the CSCECL Group for leasing of the Properties, the corresponding increase in leasable floor area of the Properties under the Leasing Transactions, and possible fluctuation in the rental rates in the PRC property market.

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

Shareholders should note that the Caps represent the Directors’ best estimates of the aggregate transaction amounts of the relevant Leasing Transactions, based on the information currently available to the Group. The Caps do not represent, and should not be regarded as forecasts of the Group’s financial or potential financial performance.

Historical Transaction Amounts

The historical transaction amounts relating to leases of the Properties by the Group to the CSCECL Group for the following periods are as follow:

For the year ended 31 December 2024	For the year ended 31 December 2025	For the period from 1 January to 30 September 2026
NIL	RMB19,424	RMB2,334,545

REASONS FOR AND BENEFITS OF ENTERING INTO THE LEASE FRAMEWORK AGREEMENT

The Group is principally engaged in property development and commercial property operations (including the Leasing Transactions). As certain members of the CSCECL Group are the existing tenants of the Properties, the Lease Framework Agreement will provide a framework for members of the Group to continue leasing out the Properties to members of the CSCECL Group, thereby generating steady rental income and cash flows to the Group.

The Directors (including the independent non-executive Directors) are of the view that the Leasing Transactions contemplated under the Lease Framework Agreement are expected to be entered into in the ordinary and usual course of the business of the Group, and the Lease 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 Lease Framework Agreement (together with the Caps) and the Leasing Transactions contemplated thereunder are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

INTERNAL CONTROL MEASURES FOR CONTINUING CONNECTED TRANSACTIONS

The Group has adopted the following internal control procedures in relation to the Lease Framework Agreement to ensure that the Leasing Transactions thereunder are conducted on normal commercial terms or better in accordance with the terms of the Lease Framework Agreement and that the applicable Caps will not be exceed, in order to protect the interests of the Shareholders:

1. the Group will comply with its internal control procedures in respect of connected transactions, where:
 - (i) prior to entering any Definitive Leasing Agreement, the Group's Commercial Company will review the proposed rental rates and other material terms of the relevant Definitive Leasing Agreement. In conducting such review, the Commercial Company will compare the proposed rental rates with at least three similar leasing transactions entered into between the Group and other independent third parties to ensure that the rents and terms of the Definitive Leasing Agreements in relation to the Leasing Transactions are on normal commercial terms and are no more favourable to members of the CSCECL Group than those offered to the independent third parties by the Group. Where fewer than three directly comparable transactions are available, the Commercial Company will make reference to prevailing market rental rates for comparable properties within the proximity, based on market information obtained from independent property agents and/or other reliable market sources; and

- (ii) the internal monitoring system of the Company will, on an on-going basis and irrespective of the transaction amount, review and track the aggregate transaction amount under the Lease Framework Agreement to ensure that the Caps will not be exceeded before entering into any further Leasing Transaction with members of the CSCECL Group under the Lease Framework Agreement;
- 2. the Group's Commercial Company and Finance and Treasury Department will monitor the implementation of the Lease Framework Agreement on a regular basis and ensure that the Leasing Transactions contemplated thereunder will be conducted in accordance with the terms of the Lease Framework Agreement and the relevant Definitive Leasing Agreements, and that the applicable Caps will not be exceeded;
- 3. the Company will appoint an external auditor pursuant to the Listing Rules to conduct an annual review on the rental rates of the Leasing Transactions to ensure that the aggregate transaction amount of the Leasing Transactions is within the Caps and that the Leasing Transactions are conducted on the terms of their respective Definitive Leasing Agreements;
- 4. the Group's Intendence and Audit Department will review, on a regular basis, the implementation and the effectiveness of the internal control system of the Group; and
- 5. the independent non-executive Directors will review the report of the continuing connected transactions of the Company (including the Leasing Transactions) annually to ensure that they have been entered into in the ordinary and usual course of business of the Group, on normal commercial terms or better after arm's length negotiations, and have been carried out pursuant to the terms of Leasing 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 Leasing Transactions are appropriate and adequate, and will give sufficient assurance that the Leasing Transactions will be appropriately monitored by the Company.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CSCECL is an intermediate holding company of COLI which in turn holds approximately 39.63% of the issued share capital of the Company. Accordingly, CSCECL is a connected person of the Company and the transactions contemplated under the Lease 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 highest Cap is more than 0.1% but all are less than 5%, the transactions contemplated under the Lease Framework Agreement are only subject to reporting, announcement and annual review requirements but are exempt from the circular and independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

None of the Directors is regarded as having a material interest in the Lease Framework Agreement (together with the Caps) and the transactions contemplated thereunder, and no Director is required to abstain from voting on the board resolutions of the Company approving the Lease Framework Agreement (together with the Caps) and the transactions contemplated thereunder.

INFORMATION ON THE PARTIES

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

The CSCECL Group is principally engaged in housing construction, infrastructure and investment, real estate investment and development, and investigation and design.

DEFINITIONS

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

“Cap(s)”	the maximum aggregate amount received/receivable by the Group from the CSCECL Group during each period/year under the Lease Framework Agreement, details of which are set out under the paragraph headed “Lease Framework Agreement – Caps” in this announcement;
“COLI”	China Overseas Land & Investment Limited, a company incorporated in Hong Kong with limited liability and whose shares are listed on the Main Board of the Stock Exchange (stock code: 688);
“Company”	China Overseas Grand Oceans Group Limited, a company incorporated in Hong Kong with limited liability and whose shares are listed on the Main Board of the Stock Exchange (stock code: 81);
“connected person(s)”, “continuing connected transaction(s)”, “holding company”, “percentage ratios” and “subsidiary(ies)”	each has the meaning ascribed to it in the Listing Rules;
“CSCECL”	中國建築股份有限公司 (China State Construction Engineering Corporation Limited), a joint stock company incorporated in the PRC and whose shares are listed on the Shanghai Stock Exchange (stock code: 601668), which is an intermediate holding company of COLI;
“CSCECL Group”	CSCECL and its subsidiaries (for the purpose of this announcement, excluding China Overseas Holdings Limited, COLI, China State Construction International Holdings Limited and China Overseas Property Holdings Limited, and their respective subsidiaries) from time to time;

“Definitive Leasing Agreement(s)”	definitive agreement(s) which has/have been entered into or may be entered into between any member of the Group and any member of CSCECL Group from time to time in relation to any of the Leasing Transactions (setting out the terms of each lease/licence including the parties, detailed description of the Properties, usage, duration, rental/licence fees, payment terms and/or specific terms such as rent free period, early termination, deposits, fees and/or charges (if applicable)) subsisting as at the date of and at any time during the term of the Lease Framework Agreement;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries from time to time;
“Hong Kong”	the Hong Kong Special Administrative Region of PRC;
“Lease Framework Agreement”	the framework agreement dated 30 September 2026 entered into between the Company and CSCECL in respect of the Leasing Transactions between members of the Group (as lessor) and members of the CSCECL Group (as lessee);
“Leasing Transactions”	all existing and future tenancy or licence transactions between members of the Group and members of the CSCECL Group for the leasing of the Properties as contemplated under the Definitive Leasing Agreements;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China, and for the purpose of this announcement excluding Hong Kong, the Macao Special Administrative Region of PRC and Taiwan;
“Properties”	the properties owned by the Group in PRC, including but not limited to office premises, shops, car parking spaces, apartments, serviced apartments, hotels, storage rooms, advertising space, etc.;
“RMB”	Renminbi, the lawful currency of PRC;
“Shareholder(s)”	the shareholder(s) of the Company from time to time;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

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

Hong Kong, 30 September 2026

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.