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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
RENEWAL OF EXISTING LEASE FRAMEWORK AGREEMENT

RENEWAL OF EXISTING LEASE FRAMEWORK AGREEMENT

Reference is made to the announcement of the Company dated 31 October 2023 in relation to, among other things, the Existing Lease Framework Agreement entered into between the Company and COLI.

The Existing Lease Framework Agreement will expire on 31 October 2026. It is expected that members of the COLI Group (as lessee) will continue to lease Properties from members of the Group (as lessor), on 29 October 2026, the Company and COLI entered into the Lease Framework Agreement, pursuant to which members of the COLI Group may lease Properties from members of the Group during the term of three years, commencing from 1 November 2026 and ending on 31 October 2029 (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, COLI holds approximately 39.63% of the issued share capital of the Company. Accordingly, members of the COLI Group are connected persons of the Company and the Leasing Transactions contemplated under the Lease Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

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

LEASE FRAMEWORK AGREEMENT

Reference is made to the announcement of the Company dated 31 October 2023 in relation to, among other things, the Existing Lease Framework Agreement entered into between the Company and COLI.

The Existing Lease Framework Agreement will expire on 31 October 2026. It is expected that members of the COLI Group will continue to lease Properties from members of the Group, on 29 October 2026, the Company and COLI entered into the Lease Framework Agreement, pursuant to which members of the COLI Group may lease Properties from members of the Group during the term of three years, commencing from 1 November 2026 and ending on 31 October 2029 (both dates inclusive), subject to the terms of the Lease Framework Agreement and the Caps.

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

Date

29 October 2026

Parties

1. the Company; and

2. COLI.

Term

The Lease Framework Agreement has a term of three years, commencing from 1 November 2026 and ending on 31 October 2029 (both dates inclusive).

Subject Matter

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

1. the Company and COLI may enter into, or procure members of the Group (as lessor) and members of the COLI 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 COLI Group may from time to time enter into separate definitive leasing agreement(s) in relation to any Leasing Transactions, which shall set out the particular terms and conditions of the Leasing Transaction(s) (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 agreement(s) 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 COLI 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 shall not exceed the following:

For the period from 1 November to 31 December 2026	For the year ending 31 December 2027	For the year ending 31 December 2028	For the period from 1 January to 31 October 2029
RMB3,000,000	RMB13,000,000	RMB13,000,000	RMB11,000,000

Basis of Determination of the Caps

The Caps are calculated with reference to the following factors:

1. the historical caps and historical transaction amounts relating to leases of Properties by the Group to the COLI Group under the Existing Lease Framework Agreement:

	For the period from 1 November to 31 December 2023	For the year ended 31 December 2024	For the year ended 31 December 2025	For the period from 1 January to 31 October 2026
Historical caps	RMB5,000,000	RMB31,000,000	RMB31,000,000	RMB26,000,000
Historical transaction amounts	RMB2,500,000	RMB17,970,000	RMB15,960,000	RMB10,690,000*

**Note: This historical transaction amount reflected the amount for the period from 1 January to 30 September 2026.*

2. the rents for leasing the Properties collectively as a whole as compared to leasing the Properties on an individual basis;

3. the possible extension of the existing leases and the potential new leases that could be entered into with members of the COLI Group during the term of the Lease Framework Agreement, and their respective locations, sizes, usages, nature, conditions, and the prevailing market rent of comparable properties within the proximity;

4. the recent average monthly rent per square meter charged by the Group to independent third parties of the Group for properties comparable to the Properties in terms of type, size and location in 2026; and

5. provision of a reasonable buffer to cover the possible increase in demand from members of the COLI Group for leasing the Properties, and the corresponding increase in leasable floor area of the Properties under the Leasing Transactions, and possible fluctuation in the rents 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 best estimates by the Directors of the amount of the relevant Leasing Transactions based on the information currently available. The Caps bear no direct relationship to, nor should they be taken to have any direct bearings on, the Group's financial or potential financial performance.

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

The Group is principally engaged in property development and commercial property operations. Throughout the past few years, the Group has continued to grow its property leasing capabilities and has strengthened the management for leasing of the Group's properties on an individual basis and the entering into of the Lease Framework Agreement is in line with the Group's business strategy. Further, as COLI is one of the leading property developers in the PRC and members of the COLI Group are the existing tenants of certain of the Properties, the entering into of the Lease Framework Agreement will facilitate the monitoring of the Leasing Transactions and bring a steady rental income and cash flows to the Group.

The Directors (including the independent non-executive Directors) are of the view that the Lease Framework Agreement has been entered into in the ordinary and usual course of business of the Company and 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 interests of the Company and its Shareholders as a whole.

INTERNAL CONTROL MEASURES

In order to ensure that the Leasing Transactions will be entered into in accordance with the terms of the Lease Framework Agreement, the Group has adopted the following measures:

1. the internal control team of the Company will monitor the Leasing Transactions and ensure that the rent of the Leasing Transactions will be on normal commercial terms or better by comparing rent offered by independent third parties of the Group for leasing properties comparable to the Properties in terms of type, size and location;

2. the Company will comply with its internal control procedures in respect of connected transactions before the Group enters into any Leasing Transactions;

3. the internal control team of the Company will ensure that the Leasing Transactions will be conducted in accordance with the terms of the Lease Framework Agreement and the Caps will not be exceeded;

4. the Company will continue to review on a regular basis the implementation and the effectiveness of the internal control system of the Group;

5. the Company will appoint an external auditor pursuant to the Listing Rules to conduct annual review of the Leasing Transactions and the Cap; and

6. the independent non-executive Directors will review all 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 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.

The Board considers that the above internal control procedures adopted by the Group in connection with the transactions contemplated under the Lease Framework Agreement are appropriate and adequate, and will give sufficient assurance that such transactions will be appropriately monitored by the Company.

LISTING RULES IMPLICATIONS

As at the date of this announcement, COLI holds approximately 39.63% of the issued share capital of the Company. Accordingly, members of the COLI Group are connected persons of the Company. The Leasing Transactions contemplated under the Lease Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

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

None of the Directors is regarded as having a material interest in the Lease Framework Agreement and the Leasing 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 the non-executive Director of the Company and the deputy finance director of COLI, have voluntarily abstained from voting on the board resolution(s) of the Company approving the Lease Framework Agreement and the Leasing Transactions contemplated thereunder.

INFORMATION ON THE PARTIES

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

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

CSCEC is the ultimate holding company of COLI. The CSCEC 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 receivable by the Group from the COLI Group for the Leasing Transactions 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;
"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);
"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)", "connected transaction(s)", "continuing connected transaction(s)", "holding company", "percentage ratios" and "subsidiary(ies)"	each has the meaning ascribed to it in the Listing Rules;
"CSCEC"	中國建築集團有限公司 (China State Construction Engineering Corporation), a state-owned corporation organised and existing under the laws of the PRC, and the ultimate holding company of COHL;
"CSCEC Group"	CSCEC and its subsidiaries from time to time (for the purpose of this announcement, excluding COHL, COLI, China State Construction International Holdings Limited and China Overseas Property Holdings Limited, and their respective subsidiaries);
"Director(s)"	the director(s) of the Company;
"Existing Lease Framework Agreement"	the framework agreement dated 31 October 2023 entered into between the Company and COLI in respect of the leasing of Properties by members of the COLI Group from members of the Group;

"Group"	the Company and its subsidiaries from time to time;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"Lease Framework Agreement"	the framework agreement dated 29 October 2026 entered into between the Company and COLI in respect of the Leasing Transactions between members of the Group (as lessor) and members of the COLI Group (as lessee);
"Leasing Transactions"	all existing and future tenancy or licence transactions between members of the Group and members of the COLI Group for leasing the Properties as contemplated under separate definitive leasing agreement(s);
"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 and held by the Group in the 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 the PRC;
"Shareholder(s)"	the shareholder(s) of the Company from time to time;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited; and
"%"	per cent.

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

Hong Kong, 29 October 2026

As at the date of this announcement, the board of Directors comprises eight Directors, of which three are executive Directors, namely Mr. Zhuang Yong, Mr. Yang Lin and Mr. Zhou Hancheng; two non-executive Directors, namely Mr. Billy Yung Kwok Kee and Ms. Liu Ping; and three independent non-executive Directors, namely Dr. Timpson Chung Shui Ming, Mr. Jeffrey Lam Kin Fung and Mr. Andrew Fan Chun Wah.