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**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)**

**CONTINUING CONNECTED TRANSACTIONS**

- (1) RENEWAL OF MATERIAL PROCUREMENT AND SUPPLY CHAIN MANAGEMENT SERVICES AGREEMENT; AND**  
**(2) DECORATION SUPPLIES SALES AGENCY FRAMEWORK AGREEMENT**

**(1) RENEWAL OF MATERIAL PROCUREMENT AND SUPPLY CHAIN MANAGEMENT SERVICES AGREEMENT**

Reference is made to the announcements of the Company dated 28 April 2021 and 1 April 2022 in relation to the 2021 Material Procurement and Supply Chain Management Services Agreement (as amended by the Supplemental Agreement) entered into between COPML (a wholly-owned subsidiary of the Company) and Shenzhen Lingchao (a wholly-owned subsidiary of COLI), pursuant to which Shenzhen Lingchao agreed to provide the Material Procurement and Supply Chain Management Services to COPML Group from time to time for a term of 14 months, commencing on 1 May 2021 and ending on 30 June 2022 (both dates inclusive).

COPML Group intends to continue to engage Shenzhen Lingchao to provide the Material Procurement and Supply Chain Management Services from time to time. Accordingly, on 29 June 2022, COPML entered into the 2022 Material Procurement and Supply Chain Management Services Agreement with Shenzhen Lingchao to renew the transactions under the 2021 Material Procurement and Supply Chain Management Services Agreement for a term of 3 years, commencing on 1 July 2022 and ending on 30 June 2025 (both dates inclusive).

## **(2) DECORATION SUPPLIES SALES AGENCY FRAMEWORK AGREEMENT**

The Board is also pleased to announce that, on 29 June 2022, COPML and Shenzhen Lingchao entered into the Decoration Supplies Sales Agency Framework Agreement, pursuant to which Shenzhen Lingchao (as supply chain management services provider to PRC property developers and supplier of Decoration Product Sets for different Development Projects) agreed to appoint member(s) of COPML Group as its sales agent(s) from time to time to provide the Sales Agency Services for the sale of the Decoration Product Sets to individual purchasers of properties in the Development Projects for the purpose of fine decoration and furnishing, for the period of 3 years commencing on 1 July 2022 and ending on 30 June 2025 (both dates inclusive).

### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, CSCEC is the ultimate holding company of the Company. COHL, a subsidiary of CSCEC, is the controlling shareholder of each of the Company and COLI by virtue of it being interested in approximately 61.18% and 56.09% of their respective issued share capital. Shenzhen Lingchao, being a wholly-owned subsidiary of COLI, is a connected person of the Company and the entering into of the 2022 Material Procurement and Supply Chain Management Services Agreement, the Decoration Supplies Sales Agency Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio calculated based on the Material Procurement and Supply Chain Management Services Caps exceeds 0.1% but is less than 5%, the entering into of the 2022 Material Procurement and Supply Chain Management Services Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements, but are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio calculated based on the Sales Agency Services Caps exceeds 0.1% but is less than 5%, the entering into of the Decoration Supplies Sales Agency Framework Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements, but are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **(1) RENEWAL OF MATERIAL PROCUREMENT AND SUPPLY CHAIN MANAGEMENT SERVICES AGREEMENT**

Reference is made to the announcements of the Company dated 28 April 2021 and 1 April 2022 in relation to the 2021 Material Procurement and Supply Chain Management Services Agreement (as amended by the Supplemental Agreement) entered into between COPML (a wholly-owned subsidiary of the Company) and Shenzhen Lingchao (a wholly-owned subsidiary of COLI), pursuant to which Shenzhen Lingchao agreed to provide the Material Procurement and Supply Chain Management Services to COPML Group from time to time for a term of 14 months, commencing on 1 May 2021 and ending on 30 June 2022 (both dates inclusive).

COPML Group intends to continue to engage Shenzhen Lingchao to provide the Material Procurement and Supply Chain Management Services from time to time. Accordingly, on 29 June 2022, COPML entered into the 2022 Material Procurement and Supply Chain Management Services Agreement with Shenzhen Lingchao to renew the transactions under the 2021 Material Procurement and Supply Chain Management Services Agreement for a term of 3 years, commencing on 1 July 2022 and ending on 30 June 2025 (both dates inclusive).

The principal terms of the 2022 Material Procurement and Supply Chain Management Services Agreement are summarised as follows:

### **Date**

29 June 2022

### **Parties**

- (1) COPML, as the customer; and
- (2) Shenzhen Lingchao, as the services provider.

### **Term**

3 years commencing on 1 July 2022 and ending on 30 June 2025 (both dates inclusive).

### **Nature of the transactions**

Shenzhen Lingchao will provide the Material Procurement and Supply Chain Management Services to COPML Group as follows:

- (1) Shenzhen Lingchao will establish and operate the E-commerce System by coordinating with and lining up suppliers of goods and materials which may be required to satisfy the procurement needs of COPML Group, and make available the E-commerce System (showing information including the supplier and unit price of the various goods and materials) to COPML Group for it to source and purchase such goods and materials necessary for the property projects it is currently servicing within the PRC;

- (2) based on its future procurement needs predicted by aggregating the individual procurement needs of the relevant property projects, COPML Group will from time to time submit Demand Lists to Shenzhen Lingchao indicating the total volume of certain goods and materials to be purchased from the specific supplier(s) and for the unit prices shown on the E-commerce System, and allowing Shenzhen Lingchao to organise its supply chain resources in advance in preparation for the purchases;
- (3) when actual procurement needs arise for each property project as it progresses, COPML Group will place Purchase Orders with Shenzhen Lingchao (which must be within the scope of the Demand Lists), which will then liaise and coordinate with the relevant suppliers and procure that the goods and materials as required under the Purchase Orders be produced, delivered to COPML Group, maintained and repaired if damaged;
- (4) Shenzhen Lingchao will also liaise and coordinate with the relevant supplier(s) and COPML Group for the provision of quality warranties and guarantees and payment of other penalties and compensation by the relevant supplier(s);
- (5) COPML Group will have the rights and obligations as customer as against the relevant supplier(s); and
- (6) relevant training and technical support as to the use of the E-commerce System will be provided by Shenzhen Lingchao to the staff of COPML Group.

## **Price**

### ***Price and pricing basis***

The unit price for each good and material purchased through the E-commerce System will be the price as confirmed and shown on the relevant Demand List (value-added tax included, the amount of which may be adjusted according to the prevailing taxation policy of the PRC), which is the unit price shown on the E-commerce System as at the date of the relevant Demand List. When setting the unit price, the following principles will be followed:

- (1) the unit price will be determined on arm's length basis based on normal commercial terms and with reference to market conditions and prices offered by independent third parties for similar goods and materials, and no less favourable to COPML Group than to the independent third party customers of Shenzhen Lingchao;
- (2) for goods and materials which do not require installation, the unit price will be determined with reference to the costs of producing, processing, transporting and unloading the goods and materials, and service fees for quality assurance and after-sales maintenance; and
- (3) for goods and materials which require installation, the unit price will be determined with reference to the costs of producing, processing, transporting, unloading, rehandling, storing and installing the goods and materials and service fees for quality assurance, after-sales maintenance.

### ***Pricing policy***

COPML Group is not obliged to purchase any goods and materials through Shenzhen Lingchao through the E-commerce System and is free to purchase goods and materials from other procurement platforms or suppliers.

Before submitting any Demand List for goods and materials, COPML Group will first compare the price and quality of the goods and materials offered by suppliers on the E-commerce System with similar goods and materials offered by independent third party suppliers, by, as far as possible, obtaining the price of each good or material charged by independent third party suppliers and/or other procurement platforms in the open market, and with similar goods and materials of comparable quantity purchased from independent third party suppliers in the past. Only the goods and materials offered with the best available terms will be purchased.

### ***Payment terms***

The price for the goods and materials purchased by COPML Group through Shenzhen Lingchao through the E-commerce System will be payable according to the following terms:

- (1) Except for the following goods and materials for which deposit will be required to be paid, no deposits will be required for goods and materials ordered by COPML Group through the E-commerce System:

<b>Type of goods and materials</b>	<b>Deposit (% of aggregate price to be paid for all such goods and materials required under the Demand List)</b>	<b>Payment date</b>
Escalator/elevator	50%	Date of submission of the Purchase Order
Chiller unit and terminal controller of air-conditioning system	20%	Date of submission of the Purchase Order
Aluminum entrance door	40%	Date of submission of the Demand List
Imported kitchen appliance (Gaggenau)	40%	Date of submission of the ready-to-deliver notice
Imported kitchen appliance (Smeg)	30%	Date of submission of the Demand List
Imported kitchen appliance (Bosch/Siemens)	40%	Date of submission of the Demand List

- (2) Subject to COPML Group having inspected and accepted the goods and materials, before the 10th day of each month, Shenzhen Lingchao will provide COPML Group with information on the price payable for its purchases in the previous month (together with supporting documents) and COPML Group shall pay the said price (after deducting any deposit paid) to Shenzhen Lingchao before the 25th day of the said month. Failure to pay in time (without fault on Shenzhen Lingchao's part) will result in a late payment fee of 0.03% of the outstanding amount for each day of default.

The price for the goods and materials will be funded by internal resources of the Group.

#### **Historical/estimated transaction amounts**

The historical transaction amount paid/committed by COPML Group to Shenzhen Lingchao for the period from 1 May 2021 to 31 December 2021 and the estimated transaction amount for the half year ending 30 June 2022 were/is as follows:

	<b>For the period from 1 May 2021 to 31 December 2021</b>	<b>For the half year ending 30 June 2022</b>
Historical/estimated transaction amount	HK\$100.55 million	HK\$42.04 million

#### **Material Procurement and Supply Chain Management Services Caps**

The Material Procurement and Supply Chain Management Services Caps for the half year ending 31 December 2022, each of the two years ending 31 December 2023 and 31 December 2024 and the half year ending 30 June 2025 are as follows:

	<b>For the half year ending 31 December 2022</b>	<b>For the year ending 31 December 2023</b>	<b>For the year ending 31 December 2024</b>	<b>For the half year ending 30 June 2025</b>
Material Procurement and Supply Chain Management Services Caps	HK\$12.5 million	HK\$25 million	HK\$25 million	HK\$12.5 million

### ***Basis of determining the Material Procurement and Supply Chain Management Services Caps***

The Material Procurement and Supply Chain Management Services Caps were determined with reference to factors including:

- (1) the estimated types and volumes of goods and materials which may be procured by COPML Group through Shenzhen Lingchao, based on the historical types and volumes of goods and materials purchased by COPML Group from Shenzhen Lingchao under the 2021 Material Procurement and Supply Chain Management Services Agreement and the anticipated decrease in the demand for goods and materials for fine decoration and furnishing due to the reducing role of the Group as a contractor of such work; and
- (2) the prevailing market prices of those goods and materials.

### **Reasons for and benefits of entering into the 2022 Material Procurement and Supply Chain Management Services Agreement**

The Material Procurement and Supply Chain Management Services provided by Shenzhen Lingchao to the Group under the previous agreement has proved advantageous and convenient to COPML Group. Its efficiency in procuring goods and materials for the property projects it is servicing has been improved by utilising the E-commerce System. As in the previous case, the transactions contemplated under the 2022 Material Procurement and Supply Chain Management Services Agreement presents a tailor-made supply chain solution for COPML Group, which is efficient and cost-effective, and covers aspects such as logistic management, demand and supply planning and capital management. COPML Group can also enjoy the greater volume discount offered by suppliers to Shenzhen Lingchao for its bulk purchase.

The Directors (including the independent non-executive Directors) are of the view that the entering into of the 2022 Material Procurement and Supply Chain Management Services Agreement and the transactions contemplated thereunder are conducted in the ordinary and usual course of business of the Group, the terms of the 2022 Material Procurement and Supply Chain Management Services Agreement (including the Material Procurement and Supply Chain Management Services Caps) are on normal commercial terms after arm's length negotiations between the parties thereunder, and are fair and reasonable and in the interests of the Company and its shareholders as a whole.



## **(2) DECORATION SUPPLIES SALES AGENCY FRAMEWORK AGREEMENT**

The Board is also pleased to announce that, on 29 June 2022, COPML and Shenzhen Lingchao entered into the Decoration Supplies Sales Agency Framework Agreement, pursuant to which Shenzhen Lingchao (as supply chain management services provider to PRC property developers and supplier of Decoration Product Sets for different Development Projects) agreed to appoint member(s) of COPML Group as its sales agent(s) from time to time to provide the Sales Agency Services for the sale of the Decoration Product Sets to individual purchasers of properties in the Development Projects for the purpose of fine decoration and furnishing, for the period of 3 years commencing on 1 July 2022 and ending on 30 June 2025 (both dates inclusive).

The principal terms of the Decoration Supplies Sales Agency Framework Agreement are summarised as follows:

### **Date**

29 June 2022

### **Parties**

- (1) COPML, as the Sales Agent; and
- (2) Shenzhen Lingchao, as the principal.

### **Term**

3 years commencing on 1 July 2022 and ending on 30 June 2025 (both dates inclusive).

### **Subject matter**

As supply chain management services provider to PRC property developers, Shenzhen Lingchao from time to time sells Decoration Product Sets to individual purchasers of properties in the Development Projects for the purpose of fine decoration and furnishing. Pursuant to the Decoration Supplies Sales Agency Framework Agreement, Shenzhen Lingchao agreed to appoint member(s) of COPML Group as its sales agent(s) from time to time to do so by providing the Sales Agency Services.



Sales Agency Services will be provided by COPML Group to Shenzhen Lingchao in accordance with the following procedures:

- (1) Shenzhen Lingchao is not obliged to appoint member(s) of COPML Group as its sales agent(s) of the Decoration Product Sets in relation to the Development Projects and COPML Group is not obliged to act as such, but the parties will negotiate for the entering into of Individual Agreement for specific Development Project. Each Individual Agreement should comply with the principles and requirements under the terms of the Decoration Supplies Sales Agency Framework Agreement, and shall specify the rights and obligations of each party, information on the relevant Decoration Product Sets (including the Product Costs and Agreed Sale Price of the Decoration Product Sets, relevant suppliers, types, quantity, schedule of delivery and method of delivery of the goods involved, etc.), agency period, Agency Fees, after-sale services and other terms of the agency, etc. The terms of the Individual Agreements should be based on normal commercial terms, fair and reasonable, and no less favourable to COPML Group than the terms available from independent third party principals of similar sales agency services.
- (2) The relevant member of COPML Group, as the Sales Agent of Shenzhen Lingchao, will sell the Decoration Product Sets to individual purchasers of properties in the relevant Development Project for the purpose of fine decoration and furnishing in accordance with the terms of the relevant Individual Agreement. Sales contracts will be entered into by COPML Group (as Sales Agent) with the individual purchasers, and the Agreed Sale Prices will be paid by the individual purchasers to the Sales Agent.
- (3) The Sales Agent will notify Shenzhen Lingchao of the total procurement needs of the Decoration Product Sets for the relevant Development Project (including information on the required quantity and delivery schedule of each relevant Decoration Product Set), and will transfer the Product Price (i.e. Agreed Sale Price less Agency Fees) to Shenzhen Lingchao. Shenzhen Lingchao will be responsible for the procurement of the Decoration Product Sets by coordinating with the suppliers of the necessary goods and materials for the production, delivery, inspection and maintenance and repair of the Decoration Product Sets.
- (4) The Sales Agent is not responsible for the quality of the Decoration Product Sets. COPML Group and Shenzhen Lingchao should have the right to claim against the suppliers for product defects, delay in delivery and other breaches.

## **Agency Fees**

### ***Agency Fees and pricing basis***

The Agency Fees will be agreed by the Sales Agent and Shenzhen Lingchao when negotiating the terms of an Individual Agreement and will be set out therein. The Agency Fees will be an amount not exceeding 6% of the Agreed Sale Price, which was determined after arm's length negotiation between the parties with reference to the profit margin COPML Group was able to secure when acting as a contractor of fine decoration and furnishing work (which was in the region of 6%) and the estimated costs and time which may be incurred by COPML Group as Sales Agent (which is expected to be less than the costs incurred as contractor of the relevant work).

### ***Pricing policy***

When agreeing on the Agency Fees with Shenzhen Lingchao under an Individual Agreement, COPML Group will take into account the opportunity costs and risks perceived by COPML Group for the provision of the Sales Agency Services under the relevant Individual Agreement and the then prevailing market fees charged for similar sales agency services. Where available, COPML Group will compare the Agency Fees with those paid or offered by other individual third party principals for similar sales agency services.

The Agency Fees as set out under each Individual Agreement will be on normal commercial terms, fair and reasonable, and no less favourable to COPML Group than the terms available from independent third party principals of similar sales agency services.

### ***Payment terms***

The Agency Fees will be deducted from the aggregated Agreed Sale Price collected by the relevant Sales Agent from the individual purchasers of properties in the relevant Development Project before the remainder (i.e. the Product Price) is paid to Shenzhen Lingchao within 7 working days following the date of notification of the procurement needs to Shenzhen Lingchao by the Sales Agent.

## Sales Agency Services Caps

The Sales Agency Services Caps for the half year ending 31 December 2022, each of the two years ending 31 December 2023 and 31 December 2024 and the half year ending 30 June 2025 are as follows:

	For the half year ending 31 December 2022	For the year ending 31 December 2023	For the year ending 31 December 2024	For the half year ending 30 June 2025
Sales Agency Services Caps	HK\$55 million	HK\$86 million	HK\$94 million	HK\$55 million

### ***Basis of determining the Sales Agency Services Caps***

The Sales Agency Services Caps were determined with reference to factors including:

- (1) the anticipated volume of Decoration Product Sets to be sold by COPML Group on behalf of Shenzhen Lingchao during the term of the Decoration Supplies Sales Agency Framework Agreement, taking into account the volume of existing Development Projects which Shenzhen Lingchao is involved as supply chain management services provider and the increasing trend for PRC property developers and property management companies to make available fine decoration and furnishing as an option to individual purchasers of properties in Development Projects; and
- (2) the estimated Agreed Sale Price and Product Costs of Decoration Product Sets to be sold by COPML Group during the term of the Decoration Supplies Sales Agency Framework Agreement.

### **Reasons for and benefits of entering into the Decoration Supplies Sales Agency Framework Agreement**

The provision of the Sales Agency Services as value-added services will generate stable income stream for the Group, allowing it to ride on the recent market trend for property development projects to provide readily available fine decoration and furnished properties at buyer's choices upon occupation by owners. The costs for providing the Sales Agency Services are expected to be controllable as compared to the costs for contracting for the actual fine decoration and furnishing work, as aside from costs incurred for the selling the specific Decoration Product Sets to the individual purchasers, no costs will be incurred and no additional labour will be required for the payment, storage, installation, maintenance, repair, etc. of the Decoration Product Sets on the part of COPML Group, and the Group's liquidity will not be unnecessarily restrained. The Company believes that the revenue from providing the Sales Agency Services will facilitate future growth of the Group and benefit its operation.

The Directors (including the independent non-executive Directors) are of the view that the entering into of the Decoration Supplies Sales Agency Framework Agreement and the transactions contemplated thereunder are conducted in the ordinary and usual course of business of the Group, the terms of the Decoration Supplies Sales Agency Framework Agreement (including the Sales Agency Services Caps) are on normal commercial terms after arm's length negotiations between the parties thereunder, and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **INTERNAL CONTROL**

In order to ensure COPML Group's conformity with the terms of the 2022 Material Procurement and Supply Chain Management Services Agreement and the Decoration Supplies Sales Agency Framework Agreement in conducting the transactions contemplated thereunder, the Group has adopted the following internal control procedures:

- (1) the business operations division of the Company will be responsible for ensuring that the transactions contemplated under the 2022 Material Procurement and Supply Chain Management Services Agreement and the Decoration Supplies Sales Agency Framework Agreement will be conducted in accordance with its terms, and monitoring (a) the accumulated price paid for the goods and materials by COPML Group to Shenzhen Lingchao and (b) the agency fees received by COPML Group from Shenzhen Lingchao for the Sales Agency Services on a regular basis to ensure that the relevant caps will not be exceeded; and
- (2) the finance and treasury department of the Company will regularly assess whether the relevant caps might be exceeded based on the actual transaction amount recorded for the previous months and the transaction amount assumed for the remaining months in the relevant periods.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, CSCEC is the ultimate holding company of the Company. COHL, a subsidiary of CSCEC, is the controlling shareholder of each of the Company and COLI by virtue of it being interested in approximately 61.18% and 56.09% of their respective issued share capital. Shenzhen Lingchao, being a wholly-owned subsidiary of COLI, is a connected person of the Company and the entering into of the 2022 Material Procurement and Supply Chain Management Services Agreement, the Decoration Supplies Sales Agency Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio calculated based on the Material Procurement and Supply Chain Management Services Caps exceeds 0.1% but is less than 5%, the entering into of the 2022 Material Procurement and Supply Chain Management Services Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements, but are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio calculated based on the Sales Agency Services Caps exceeds 0.1% but is less than 5%, the entering into of the Decoration Supplies Sales Agency Framework Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements, but are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Guo Lei, a non-executive Director of the Company, is a director of Shenzhen Lingchao and has therefore abstained from voting on the board resolutions of the Company approving the entering into of the 2022 Material Procurement and Supply Chain Management Services Agreement, the Decoration Supplies Sales Agency Framework Agreement and the transactions contemplated thereunder for having material interest in them. Mr. Zhang Guiqing, being the chairman and executive Director of the Company and a director of COHL, and Mr. Ma Fujun, being a non-executive Director of the Company and a director of COHL, although not considered having any material interest in the 2022 Material Procurement and Supply Chain Management Services Agreement, the Decoration Supplies Sales Agency Framework Agreement and the transactions contemplated thereunder, have voluntarily abstained from voting on such board resolutions. None of the other Directors has any material interest in the 2022 Material Procurement and Supply Chain Management Services Agreement, the Decoration Supplies Sales Agency Framework Agreement and the transactions contemplated thereunder and none of them has abstained from voting on such board resolutions.

## **INFORMATION ON THE PARTIES**

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

COPML is a wholly-owned subsidiary of the Company and is principally engaged in real estate management and investment holding.

COLI and its subsidiaries (excluding subsidiary(ies) listed on any stock exchange) is principally engaged in property development and investment, and other operations.

Shenzhen Lingchao is a wholly-owned subsidiary of COLI and is principally engaged in supply chain management services, sale of machineries, equipment, construction materials and building decoration materials, etc.

CSCEC (a state-owned corporation in the PRC) is the ultimate controlling shareholder of the Company and COLI respectively. 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.

## DEFINITIONS

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

“2021 Material Procurement and Supply Chain Management Services Agreement”	the material procurement and supply chain management services agreement dated 28 April 2021 entered into between COPML and Shenzhen Lingchao in relation to the provision of the Material Procurement and Supply Chain Management Services by Shenzhen Lingchao to COPML Group for the period of 14 months commencing on 1 May 2021 and ending on 30 June 2022 (both dates inclusive), as amended by the Supplemental Agreement
“2022 Material Procurement and Supply Chain Management Services Agreement”	the material procurement and supply chain management services agreement dated 29 June 2022 entered into between COPML and Shenzhen Lingchao in relation to the provision of the Material Procurement and Supply Chain Management Services by Shenzhen Lingchao to COPML Group for the period of 3 years commencing on 1 July 2022 and ending on 30 June 2025 (both dates inclusive)
“Agency Fees”	the agency fees to be charged by the Sales Agent under a specific Individual Agreement for the provision of the Sales Agency Services
“Agreed Sale Price”	in relation to a Decoration Product Set, means the price to be sold to the individual purchasers as specified under the relevant Individual Agreement
“Board”	the board of Directors
“COHL”	China Overseas Holdings Limited, a company incorporated in Hong Kong with limited liability, the controlling shareholder of each of the Company and COLI
“COLI”	China Overseas Land & Investment Limited, a company incorporated in Hong Kong with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 688)
“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)

<p>“connected person(s)”,  “controlling  shareholder(s)”,  “percentage ratio(s)” and  “subsidiary(ies)”</p>	<p>each has the meaning ascribed to it under the Listing Rules</p>
<p>“COPML”</p>	<p>中海物業管理有限公司 (China Overseas Property Management Limited*), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company</p>
<p>“COPML Group”</p>	<p>COPML and its subsidiaries from time to time</p>
<p>“CSCEC”</p>	<p>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 each of the Company and COLI</p>
<p>“Decoration Product Sets”</p>	<p>specific decoration product sets which Shenzhen Lingchao intends to sell to individual purchasers of properties in the Development Projects for the purpose of fine decoration and furnishing</p>
<p>“Decoration Supplies  Sales Agency  Framework Agreement”</p>	<p>the decoration supplies sales agency framework agreement dated 29 June 2022 entered into between COPML and Shenzhen Lingchao, pursuant to which Shenzhen Lingchao agreed to appoint member(s) of COPML Group as its sales agent(s) from time to time to provide the Sales Agency Services for the sale of its Decoration Product Sets to individual purchasers of properties in the Development Projects for the purpose of fine decoration and furnishing, for the period of 3 years commencing on 1 July 2022 and ending on 30 June 2025 (both dates inclusive)</p>
<p>“Demand List(s)”</p>	<p>the demand list(s) to be submitted by COPML Group to Shenzhen Lingchao from time to time indicating the total volume of certain goods and materials to be purchased from the specific supplier(s) and for the unit prices shown on the E-commerce System, which will be prepared based on the future procurement needs predicted by aggregating the individual procurement needs of the relevant property projects serviced by COPML Group</p>



“Development Projects”	the PRC property development projects of PRC property developers
“Director(s)”	the director(s) of the Company
“E-commerce System”	an e-commerce system established and operated by Shenzhen Lingchao and made available to COPML Group for it to source and purchase goods and materials necessary for the property projects it is currently servicing within the PRC, where information including the supplier and the unit price of the various goods and materials are shown on the platform
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Individual Agreement”	individual sales agency agreement for specific Development Project to be entered into by specific member of COPML Group (i.e. Sale Agent) and Shenzhen Lingchao pursuant to the terms of the Decoration Supplies Sales Agency Framework Agreement
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macao Special Administrative Region of the PRC
“Material Procurement and Supply Chain Management Services”	services including making available the E-commerce System for COPML Group to source and purchase goods and materials necessary for the property projects it is currently servicing, liaising and coordinating with the relevant suppliers and procuring that necessary goods and materials be produced, delivered to COPML Group, maintained and repaired if damaged
“Material Procurement and Supply Chain Management Services Caps”	the maximum price to be paid for the goods and materials purchased by COPML Group through Shenzhen Lingchao through the E-commerce System for the relevant periods under the 2022 Material Procurement and Supply Chain Management Services Agreement

“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, Macau and Taiwan
“Product Costs”	in relation to a Decoration Product Set, means its costs of production as specified under the relevant Individual Agreement
“Product Price”	Agreed Sale Price less Agency Fees, which represents the income of Shenzhen Lingchao from the sale of the Decoration Product Set
“Purchase Order(s)”	the purchase order(s) to be placed by COPML Group with Shenzhen Lingchao for the purchase of goods and materials when actual procurement needs arise for each property project as it progresses
“Sales Agent”	the relevant member of COPML Group contracting with Shenzhen Lingchao as sales agent of Decoration Product Sets under a specific Individual Agreement
“Sales Agency Services”	the sales agency services to be provided by COPML Group to Shenzhen Lingchao for the sale its Decoration Product Sets to individual purchasers of properties in the Development Projects for the purpose of fine decoration and furnishing
“Sales Agency Services Caps”	the maximum agency fees to be paid by Shenzhen Lingchao to COPML Group for the Sale Agency Services for the relevant periods under the Decoration Supplies Sales Agency Framework Agreement
“Shenzhen Lingchao”	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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Supplemental Agreement”

the supplemental agreement dated 1 April 2022 to the 2021 Material Procurement and Supply Chain Management Services Agreement entered into between COPML and Shenzhen Lingchao, pursuant to which the original annual cap for the transactions contemplated under the 2021 Material Procurement and Supply Chain Management Services Agreement for the half year ending 30 June 2022 has been revised

“%”

per cent

\* *For identification purpose only.*

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

Hong Kong, 29 June 2022

*As at the date of this announcement, the Board comprises nine Directors, of which four are Executive Directors, namely Mr. Zhang Guiqing (Chairman), Dr. Yang Ou (Chief Executive Officer), Mr. Pang Jinying (Vice President) and Mr. Kam Yuk Fai (Chief Financial Officer); two are Non-executive Directors, namely Mr. Ma Fujun and Mr. Guo Lei; and three are Independent Non-executive Directors, namely, Mr. Yung, Wing Ki Samuel, Mr. So, Gregory Kam Leung and Mr. Lim, Wan Fung Bernard Vincent.*