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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)

**CONNECTED TRANSACTION
IN RELATION TO
RENEWAL OF LOAN AGREEMENT**

Reference is made to the announcement of the Company dated 12 October 2020, relating to, among other things, the First Loan Renewal Agreement entered into between COPL Shantou (a wholly-owned subsidiary of the Company) and COGO Shantou (a wholly-owned subsidiary of COGO) in relation to the renewal of the Loan in the principal amount of approximately RMB75.0 million and extension of the repayment date to 18 October 2023 with no change in interest rate (being 4.75% per annum). Subsequent to the First Loan Renewal Agreement and prior to the entering into of the Second Loan Renewal Agreement, the Loan, which was due to repay on 18 October 2023, remains outstanding.

In this connection, the Board wishes to announce that on 26 September 2023, COPL Shantou entered into the Second Loan Renewal Agreement with COGO Shantou, pursuant to which COPL Shantou agreed to renew the Loan in the principal amount of approximately RMB75.0 million (equivalent to approximately HK\$80.3 million) and extend the repayment date of the Loan to 18 October 2026.

CSCEC is the ultimate holding company of COHL, which is the controlling shareholder of the Company by virtue of it being interested in approximately 61.18% of the issued share capital of the Company. COHL also indirectly holds approximately 39.63% of the issued share capital of COGO. Therefore, COGO Shantou, being a subsidiary of COGO, is a connected person of the Company, and the entering into of the Second Loan Renewal Agreement and the transactions contemplated thereunder constitute a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the highest percentage ratio in respect of the Second Loan Renewal Agreement and the transactions contemplated thereunder exceed 0.1% but is less than 5%, the entering into of the Second Loan Renewal Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Reference is made to the announcement of the Company dated 12 October 2020, relating to, among other things, the First Loan Renewal Agreement entered into between COPL Shantou (a wholly-owned subsidiary of the Company) and COGO Shantou (a wholly-owned subsidiary of COGO) in relation to the renewal of the Loan in the principal amount of approximately RMB75.0 million and extension of the repayment date to 18 October 2023 with no change in interest rate (being 4.75% per annum). Subsequent to the First Loan Renewal Agreement and prior to the entering into of the Second Loan Renewal Agreement, the Loan, which was due to repay on 18 October 2023, remains outstanding.

In this connection, the Board wishes to announce that on 26 September 2023, COPL Shantou entered into the Second Loan Renewal Agreement with COGO Shantou, pursuant to which COPL Shantou agreed to renew the Loan in the principal amount of approximately RMB75.0 million (equivalent to approximately HK\$80.3 million) and extend the repayment date of the Loan to 18 October 2026.

THE SECOND LOAN RENEWAL AGREEMENT

The principal terms of the Second Loan Renewal Agreement are summarised as follows:

Date

26 September 2023

Parties

- (i) COPL Shantou (as lender)
- (ii) COGO Shantou (as borrower)

Principal amount of the Loan

Approximately RMB75.0 million (equivalent to approximately HK\$80.3 million), which shall be repayable in full upon expiration of the Loan

Interest rate

4.75% per annum, which shall be payable within 10 business days of the end of each quarter

Extended term

Three years commencing from 19 October 2023 and expiring on 18 October 2026 (both dates inclusive)

The terms of the Second Loan Renewal Agreement were determined after arm's length negotiations between the parties to the Second Loan Renewal Agreement, with reference to prevailing market interest rates and practices as well as the creditworthiness of COGO Shantou.

Reasons and benefits for entering into the Second Loan Renewal Agreement

Taking into account uncertainties of the current economy and the future cash need of the Group, renewal of the Loan (which was funded by internal resources of the Group) can continue to provide the Group with opportunities to earn additional interest income from surplus cash resources.

The Directors (including all the independent non-executive Directors) consider that the Second Loan Renewal Agreement, its terms and the transactions contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business of the Company, fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION OF 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 space trading business.

COPL Shantou is a limited liability company established in the PRC and a wholly-owned subsidiary of the Company, and which is principally engaged in real estate management.

COGO Group is principally engaged in property investment and development, property leasing and investment holding.

COGO Shantou is a limited liability company established in the PRC and a wholly-owned subsidiary of COGO, and which is principally engaged in property development.

CSCEC (a state-owned corporation established in the PRC) is the ultimate controlling shareholder of COHL and the Company. CSCEC Group is a conglomerate principally engaged in building construction, international contracting, real estate development and investment, infrastructure construction and investment and design and prospecting.

LISTING RULES IMPLICATIONS

CSCEC is the ultimate holding company of COHL, which is the controlling shareholder of the Company by virtue of it being interested in approximately 61.18% of the issued share capital of the Company. COHL also indirectly holds approximately 39.63% of the issued share capital of COGO. Therefore, COGO Shantou, being a subsidiary of COGO, is a connected person of the Company, and the entering into of the Second Loan Renewal Agreement and the transactions contemplated thereunder constitute a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the highest percentage ratio in respect of the Second Loan Renewal Agreement and the transactions contemplated thereunder exceed 0.1% but is less than 5%, the entering into of the Second Loan Renewal Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

None of the Directors has any material interest in the Second Loan Renewal Agreement and the transactions contemplated thereunder. Save for Mr. Zhang Guiqing, being the chairman and executive Director of the Company and director of COHL, and Mr. Ma Fujun, being a non-executive Director of the Company and a director of COHL, have voluntarily abstained from voting, none of the Directors have abstained from voting on the resolutions passed by the Board approving the Second Loan Renewal Agreement and the transactions contemplated thereunder.

DEFINITIONS

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

“2017 Loan Agreement”	the loan agreement dated 19 October 2017 entered into between COPL Shantou and COGO Shantou in relation to the granting of a loan in the amount of approximately RMB75.0 million bearing interest of 4.75% per annum by COPL Shantou to COGO Shantou for a term of three years from 19 October 2017 to 18 October 2020, as disclosed in the Company’s circular dated 24 November 2017
“Board”	the board of Directors
“COGO”	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)
“COGO Group”	COGO and its subsidiaries from time to time
“COGO Shantou”	中海宏洋地產汕頭投資有限公司 (China Overseas Grand Oceans Real Estate Shantou Investment Co., Ltd.*), a limited liability company established in the PRC, and a wholly-owned subsidiary of COGO
“COHL”	China Overseas Holdings Limited, a company incorporated in Hong Kong with limited liability, and the controlling shareholder of the Company
“COHL Group”	COHL and its subsidiaries (excluding subsidiary(ies) listed on any stock exchange) from time to time
“Company”	China Overseas Property Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Main Board of the Stock Exchange (stock code: 2669)

“connected person(s)”, “controlling shareholder”, “holding company”, “percentage ratio” and “subsidiary(ies)”	each has the meaning ascribed to it under the Listing Rules
“COPL Shantou”	汕頭中海物業服務有限公司 (Shantou China Overseas Property Services Co., Ltd.*), a limited liability company established in the PRC, and a wholly-owned subsidiary of the Company
“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 and the Company
“CSCEC Group”	CSCEC and its subsidiaries (excluding subsidiary(ies) listed on any stock exchange but including CSCECL Group and COHL Group) from time to time
“CSCECL”	中國建築股份有限公司 (China State Construction Engineering Corporation Limited), a company established in the PRC whose shares are listed on the Shanghai Stock Exchange (stock code: 601668), a controlling shareholder of the Company and a non-wholly owned subsidiary of CSCEC
“CSCECL Group”	CSCECL and its subsidiaries (excluding subsidiary(ies) listed on any stock exchange but including COHL Group) from time to time
“Director(s)”	the director(s) of the Company
“First Loan Renewal Agreement”	the loan agreement dated 12 October 2020 entered into between COPL Shantou and COGO Shantou in relation to the renewal of the Loan and the extension of the repayment date to 18 October 2023
“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

“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	a three-year loan in the amount of approximately RMB75.0 million (equivalent to approximately HK\$80.3 million) granted by COPL Shantou to COGO Shantou pursuant to the terms of the 2017 Loan Agreement and renewed under the First Loan Renewal Agreement and the Second Loan Renewal Agreement
“Macau”	the Macao Special Administrative Region of the PRC
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Second Loan Renewal Agreement”	the loan agreement dated 26 September 2023 entered into between COPL Shantou and COGO Shantou in relation to the renewal of the Loan and the extension of the repayment date to 18 October 2026
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

* *For identification purposes only*

For the purpose of this announcement and for illustrative purpose only, RMB is converted into HK\$ at the exchange rate of RMB1.00 to HK\$1.07. No representation is made that any amounts in RMB or HK\$ has been or could be converted at the above rates or at any other rates.

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

Hong Kong, 26 September 2023

As at the date of this announcement, the Board comprises nine Directors, of which four are Executive Directors, namely Mr. Zhang Guiqing (Chairman), Mr. Xiao Junqiang (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.