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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 FRAMEWORK AGREEMENT IN RELATION TO  
THE INFORMATION TECHNOLOGY SERVICES**

**RENEWAL OF EXISTING FRAMEWORK AGREEMENT**

Reference is made to the announcement of the Company dated 24 August 2021 in relation to, among other things, the Existing Framework Agreement entered into between the Company and Haizhichuang.

The Existing Framework Agreement will expire on 31 December 2023. The Directors expect that the Group will continue to engage Haizhichuang to provide Services for the Group's property development projects in PRC. In this connection, on 29 December 2023, the Company and Haizhichuang entered into the Renewal Framework Agreement for a term of three years, commencing from 1 January 2024 and ending on 31 December 2026 (both days inclusive), subject to 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, Haizhichuang, being a wholly-owned subsidiary of COLI, is a connected person of the Company. The transactions contemplated under the Renewal 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 Caps is more than 0.1% but all are less than 5%, the transactions contemplated under the Renewal Framework Agreement are only subject to 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.

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### **THE RENEWAL FRAMEWORK AGREEMENT**

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

#### **Date**

29 December 2023

#### **Parties**

1. the Company; and
2. Haizhichuang.

#### **Term**

The Renewal Framework Agreement has a term of three years commencing from 1 January 2024 and ending on 31 December 2026 (both days inclusive).

#### **Subject Matter**

Pursuant to the Renewal Framework Agreement, the parties agreed that:

1. the Group may engage Haizhichuang to provide Services for the Group's property development projects in PRC, subject to the Caps; and
2. the service fees payable for the Services by the Group to Haizhichuang will be settled pursuant to the payment terms set out in the individual contracts, which will set out the specific terms and conditions according to the principles as provided in the Renewal Framework Agreement.

## Caps

The Caps for the term of the Renewal Framework Agreement shall not exceed the following:

<b>For the year ending 31 December 2024</b>	<b>For the year ending 31 December 2025</b>	<b>For the year ending 31 December 2026</b>
RMB10,000,000	RMB10,000,000	RMB10,000,000

### Basis of Determination of the Caps

The Caps are calculated with reference to the following factors:

1. the caps and the historical amounts paid or payable by the Group to Haizhichuang for the Services for the Group's property development projects in PRC under the Existing Framework Agreement:

	<b>For the period from 1 September to 31 December 2021</b>	<b>For the year ended 31 December 2022</b>	<b>For the year ended 31 December 2023</b>
<b>The caps under the Existing Framework Agreement</b>	RMB19,000,000	RMB32,000,000	RMB36,000,000
<b>The historical amounts under the Existing Framework Agreement</b>	RMB18,250,000	RMB14,906,000	RMB7,925,000 <sup>(Note)</sup>

*Note: The historical amount of RMB7,925,000 is for the period from 1 January to 15 December 2023.*

2. (i) the estimated number of property development projects of the Group in PRC which require the Services for the years ending 31 December 2024, 2025 and 2026; (ii) the expected demand for intelligent products for the years ending 31 December 2024, 2025 and 2026; (iii) the estimated service fees owing to product upgrades and introduction of new technology products; and (iv) the prevailing market price of the same or substantially similar services.

The Shareholders should note that the Caps represent the best estimates by the Directors of the amount of the relevant 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.

## **Pricing Basis**

As a general principle, the service fees and terms of the contracts between any member(s) of the Group and Haizhichuang shall be determined in the ordinary and usual course of business, on normal commercial terms, negotiated on an arm's length basis and shall be no less favourable to the Group than those offered by the independent third party service providers of any member(s) of the Group.

In assessing the fees for the Services, member(s) of the Group will take into account of (i) the number of the property projects of the relevant member of the Group in PRC under development which will require the Services; (ii) the unit price for the Services to be required by the target property projects of the relevant member of the Group, which is determined based on the types, quality and standards of the information technology services; and (iii) the prevailing market price of the same or substantially similar services.

In order to ascertain the prevailing market price as mentioned above, the Group will obtain quotations for the same or substantially similar services with comparable scope, quantity and quality from time to time from at least two independent third party service providers and then compare, evaluate and assess those quotations against the service fees quoted by Haizhichuang for individual contracts to ensure that the service fees payable by the relevant member of the Group to Haizhichuang will be no more favourable than those payable to the independent third party service providers.

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

Haizhichuang has been the provider of Services for the Group's property development projects in PRC for years, including the information management platform and software which cover key parts of the Group's business such as project planning, cost monitoring, data management, customer service management, online delivery, etc. It is believed that the transactions contemplated under the Renewal Framework Agreement will help increase the Group's business efficiency by standardizing the information management platform and software developed and maintained by a stable and reliable service provider.

The Directors also believe that it is in the best interests of the Company to continue its existing engagement of Haizhichuang as the Group can leverage the technical expertise of Haizhichuang to provide the Group with a comprehensive and custom-made package of information technology service and support, so as to enhance the operation and management efficiency and efficacy of the Group at a lower cost as compared to similar services provided by independent third parties or the self-built information technology system.

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

## **INTERNAL CONTROL MEASURES**

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 Company will comply with its internal control procedures in respect of connected transactions before the Group enters into any transactions contemplated under the Renewal Framework Agreement;
2. the Group 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 Company 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 Company will continue to 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 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, and that such terms are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **INFORMATION ON THE PARTIES**

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

Haizhichuang, a wholly-owned subsidiary of COLI, is principally engaged in the provision of real estate digital products and services, intelligent business and green building business.

COLI Group is principally engaged in the business of property development and investment, and other operations.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, COLI holds approximately 39.63% of the issued share capital of the Company. Accordingly, Haizhichuang, being a wholly-owned subsidiary of COLI, is a connected person of the Company. The transactions contemplated under the Renewal 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 Caps is more than 0.1% but all are less than 5%, the transactions contemplated under the Renewal Framework Agreement are only subject to 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 Renewal Framework Agreement 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 Mr. Guo Guanghui, being the Non-executive Director of the Company and the executive director and vice-president of COLI, have voluntarily abstained from voting on the board resolution(s) of the Company approving the Renewal Framework 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:

“Cap(s)”	the maximum total contract sum of the Service contracts that may be awarded by the Group to Haizhichuang for the relevant years 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);
“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”, “continuing connected transaction(s)”, “holding company”, “percentage ratios” and “subsidiary(ies)”	each has the meaning ascribed to it in the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Existing Framework Agreement”	the framework agreement dated 24 August 2021 entered into between the Company and Haizhichuang in respect of the engagement of Haizhichuang for the provision of Services for the Group’s property development projects in PRC;
“Group”	the Company and its subsidiaries from time to time;

“Haizhichuang”	深圳海智創科技有限公司 (Shenzhen Haizhichuang Technology Limited*), a company established in PRC with limited liability and a wholly-owned subsidiary of COLI;
“Hong Kong”	the Hong Kong Special Administrative Region of PRC;
“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;
“Renewal Framework Agreement”	the framework agreement dated 29 December 2023 entered into between the Company and Haizhichuang in respect of the extension of the engagement of Haizhichuang for the provision of Services for the Group’s property development projects in PRC;
“RMB”	Renminbi, the lawful currency of PRC;
“Services”	information technology services including but not limited to software licensing, software development, information system integration services, intelligent engineering services, software platform technology services, and relevant consultancy services;
“Shareholder(s)”	the shareholder(s) of the Company from time to time;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

\* English translation for identification purpose only

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

Hong Kong, 29 December 2023

*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. Guo Guanghui and Mr. Billy Yung Kwok Kee; and three independent non-executive Directors, namely Dr. Timpson Chung Shui Ming, Mr. Jeffrey Lam Kin Fung and Mr. Andrew Fan Chun Wah.*