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中國海外發展有限公司 CHINA OVERSEAS LAND & INVESTMENT LTD.

(incorporated in Hong Kong with limited liability)

(Stock Code: 688)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS WITH CHINA STATE CONSTRUCTION DEVELOPMENT HOLDINGS LIMITED IN RELATION TO CONSTRUCTION WORKS

Reference is made to the announcement of the Company dated 29 March 2021 in relation to, among other things, the Existing Master Engagement Agreement entered into between the Company and CSCD.

The Existing Master Engagement Agreement will expire on 30 June 2024. The Directors expect that the Group will continue to invite the CSCD Group to participate in competitive tenders for the Construction Works as a contractor or service provider (as the case may be) from time to time. In this connection, on 29 April 2024, the Company and CSCD entered into the New Master Engagement Agreement for a term of three years commencing from 1 July 2024 and ending on 30 June 2027 (both dates inclusive), subject to the Caps.

As at the date of this announcement, COHL is a controlling shareholder of both the Company and CSCD by virtue of it being interested in approximately 56.10% of the issued share capital of the Company and approximately 70.78% of the issued share capital of CSCD. Accordingly, members of the CSCD Group are connected persons of the Company. The transactions contemplated under the New Master Engagement Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since one or more of the applicable percentage ratios in respect of the highest Cap exceed 0.1% but are less than 5%, the transactions contemplated under the New Master Engagement Agreement are subject to the annual review, reporting and announcement requirements but exempt from the independent shareholders' approval requirement pursuant to Chapter 14A of the Listing Rules.

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 relationships to, nor should be taken to have any direct bearings to, the Group's financial or potential financial performance. The Group may or may not engage the CSCD Group in respect of the Construction Works up to the level of the Caps, if at all, as the engagements are subject to tendering procedures which are open to other independent third party contractors and/or services providers.

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

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The principal terms of the New Master Engagement Agreement are summarised as follows:

Date

29 April 2024

Parties

1. The Company; and
2. CSCD.

Term

Subject to the fulfillment of the condition precedent to the New Master Engagement Agreement, the New Master Engagement Agreement will commence from 1 July 2024 and end on 30 June 2027 (both dates inclusive).

Subject Matter

Pursuant to the New Master Engagement Agreement, the Company and CSCD agreed, among other things, that:

- (a) each of the Group and the Minority Controlled Group may invite the CSCD Group to participate in competitive tenders for the Construction Works as a contractor or service provider (as the case may be) from time to time. The CSCD Group may tender for the Construction Works in accordance with the tendering procedures of the Group or the Minority Controlled Group (as the case may be) from time to time and on the same and normal terms as offered to other independent third-party contractors or service providers (as the case may be).

For avoidance of doubt, the construction contracts that may be awarded to the CSCD Group by the Minority Controlled Group constitute continuing connected transactions for CSCD under Chapter 14A of the Listing Rules only and do not constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. The transactions contemplated under the New Master Engagement Agreement between the Group and the CSCD Group are only subject to the Caps as mentioned in paragraph (b) below.

- (b) if any contract of the Group is awarded to the CSCD Group as a result of the above tender, the CSCD Group may act as contractor or service provider (as the case may be) for the Construction Works based on the terms of the successful tender provided that the maximum total contract sum that may be awarded by the Group to the CSCD Group for each period/year commencing from 1 July 2024 and ending on 30 June 2027 shall not exceed the following Caps:

For the period from 1 July 2024 to 31 December 2024	For the financial year ending 31 December 2025	For the financial year ending 31 December 2026	For the period from 1 January 2027 to 30 June 2027
HK\$505 million	HK\$110 million	HK\$660 million	HK\$110 million

- (c) the contract sum in respect of the Construction Works payable by the Group to the CSCD Group will be settled by the Group's internal resources pursuant to the payment terms set out in the tender documents for the specific contracts.

Condition Precedent

The New Master Engagement Agreement and the transactions contemplated thereunder (together with the Caps) are conditional upon CSCD having obtained the approval of its independent shareholders at CSCD's general meeting by way of poll.

Pricing Basis

As a general principle, the prices and terms of the contracts shall be determined in the ordinary course of business and on normal commercial terms, negotiated on an arm's length basis and at prices and on terms no more favourable than those awarded to the independent third-party contractors and/or service providers of the Group.

The Group will normally invite construction contractors or service providers to participate in competitive tender for the Construction Works in accordance with its tendering procedures.

In conducting the Group's invitations to tender, review of tenders and tender selection, the participation of the CSCD Group in the tender process shall not in any way affect the Group's tender procedures, contract terms and selection principles. The CSCD Group shall be treated in the same way as independent third parties.

The price and terms of the tenders awarded by the Group to the CSCD Group for the Group's Construction Works are subject to the standard and systematic tender procedures maintained by the Group, which apply to tenders submitted by both connected persons and independent third parties to ensure that the price and terms of the tender awarded by the Group to the CSCD Group are no more favourable than those awarded to independent third parties.

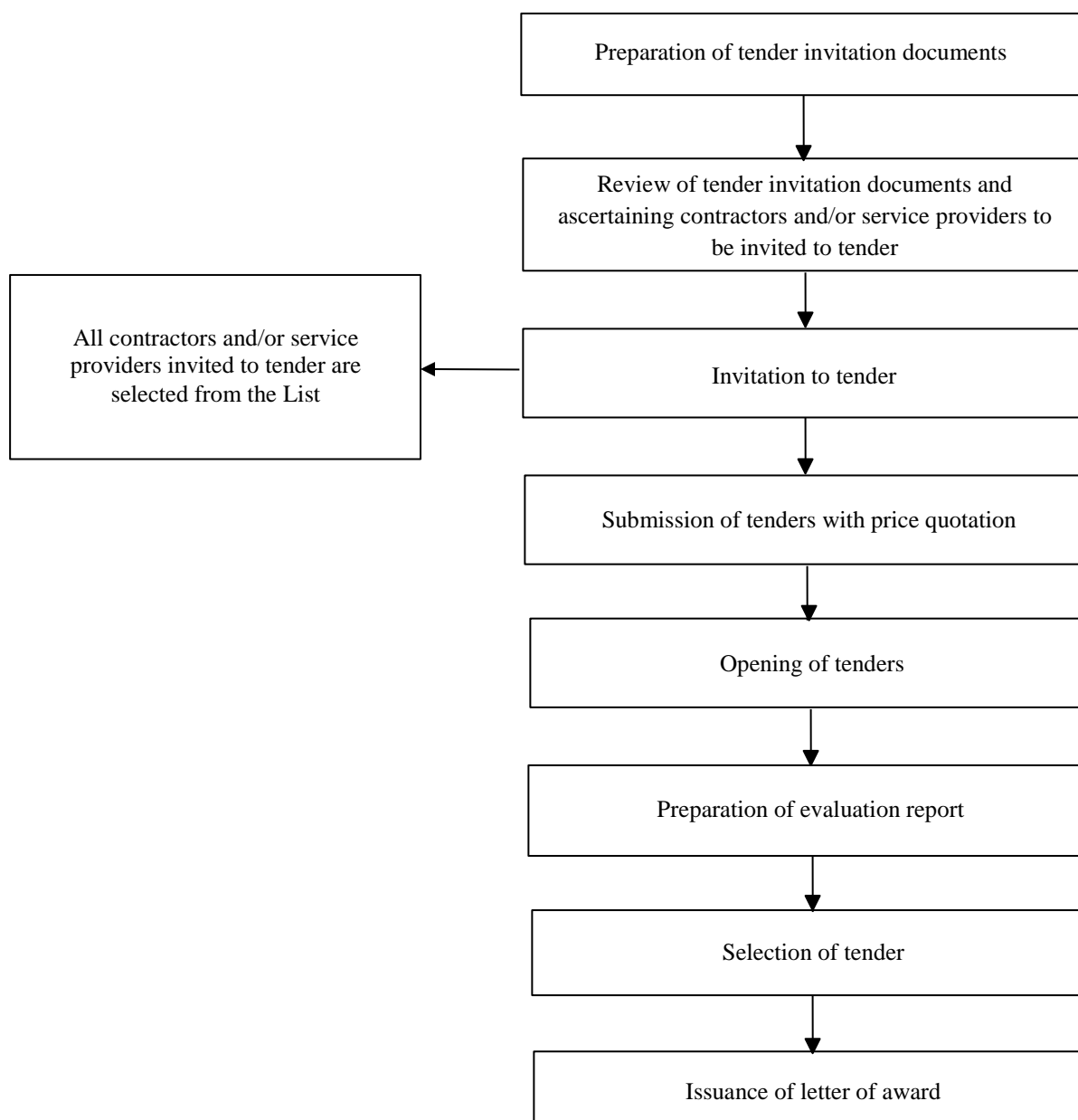
1. Invitation to Tender

- (i) The Group has established its own list of approved contractors and/or service providers (which is subject to periodic review and update by its management, the “List”). All contractors and/or service providers invited to submit tender for the Group’s projects are selected from the List. Contractors and/or service providers in the List include those with or without prior working history with the Group. Contractors and/or service providers with prior working history with the Group will be subject to suitability assessment following completion of their works for each project of the Group. A contractor and/or service provider can be retained in the List if the result of such assessment is satisfactory to the Group. The Group will remove a contractor and/or service provider from the List if it fails to meet the minimum criteria for retention. If a contractor and/or service provider has no prior working history with the Group, the contractor and/or service provider will be subject to qualification evaluation and review to ascertain if it is suitable for including them in the List.
- (ii) The number of tenders to be invited: for every tender for the contract of the Construction Works, not less than three tenders will be invited.
- (iii) Selection of contractors and/or service providers to be invited to tender: the suitability of a contractor and/or service provider is assessed with general reference to selection criteria including but not limited to the contractor’s and/or service provider’s qualification grade, financial ability, technical capability, cooperation record, project management ability, quality of work and business management capability. Depending on the estimated value of the relevant construction contract, the business unit person in charge and line managers of the regional office or the headquarter office shall conduct the vetting process to ascertain certain contractors and/or service providers to be invited to tender, following which the letter of invitation to tender will be issued.

2. Tendering and Selection of Bids

- (i) Tendering: tender submission with price quotations shall be submitted through the Group’s online tendering system before the deadline. The submitted tender cannot be viewed before opening of tenders.
- (ii) Opening of tenders: tenders submitted will be opened in the presence of an officer from a non-tendering related department of the regional office of the Group (such as finance department) who will co-execute the tendering documents and perform the supervision function.
- (iii) Selection of tenders: based on the Group’s established system of tendering, the winning bid will usually be the one conforming to the technical requirements with a reasonable and minimum price offered. The selection of tender is determined collectively by the decision-making body in a meeting where contents of the proposed tender, and the contractor’s and/or service provider’s capability and risk of default are given full consideration. The relevant letter of award will be issued once the final decision is made in the meeting of the decision-making body based on the final tender amount.

Tendering Procedure



As for the engagement of a service provider for the provision of project supervision service for the property development projects of the Group in the PRC, the Group will normally go through the above tendering procedures. However, in the event that the expected contract amount involved is relatively small or no tenderer is available, and it will not be appropriate for the Group to go through the above tendering procedures, the Group will seek quotations from at least three different service providers.

For the selection of a service provider among the three potential service providers, the lowest quotation will be selected on the condition that the selected service provider also satisfies all other essential requirements (including but not limited to the service providers' qualification grade, financial ability, technical capability, cooperation record, project management ability, quality of work and business management capability). If the price and terms offered by the CSCD Group are equal to or better than those offered by independent service providers, the Group may probably accept the quotation from the CSCD Group.

Calculation of the Caps

The Caps are calculated with reference to the following factors:

- (a) the historical total contract sum awarded by the Group to the CSCD Group as contractor or service provider (as the case may be) for the Construction Works under the Existing Master Engagement Agreement, being (i) approximately HK\$42 million for the period from 1 July 2021 to 31 December 2021; (ii) approximately HK\$8 million for the financial year ended 31 December 2022; and (iii) nil for the financial year ended 31 December 2023 and for the period from 1 January 2024 to 31 March 2024;
- (b) the estimated total contract sum of the Construction Works that the Group may invite the CSCD Group to participate in competitive tenders from time to time taking into account of the numbers and size of the potential new construction projects of the Group; and
- (c) other factors such as the business plans of the Group for the corresponding period of the New Master Engagement Agreement.

REASONS AND BENEFITS OF THE ENTERING INTO OF THE NEW MASTER ENGAGEMENT AGREEMENT

Taking into account the extensive experience and expertise of the CSCD Group in the Construction Works and given the satisfactory cooperation between the Group and the CSCD Group pursuant to the Existing Master Engagement Agreement, the entering into of the New Master Engagement Agreement would allow the Group to secure a more diverse base of contractors or service providers to participate in the Construction Works, and if upon successful tender awarded to the CSCD Group, could assure the quality of the Construction Works for the Group's construction projects up to standards.

The Directors (including the Independent Non-executive Directors) consider that the New Master Engagement Agreement (together with the Caps) has been entered into on normal commercial terms after arm's length negotiations between the parties, and the transactions contemplated under the New Master Engagement Agreement are expected to be 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 transactions contemplated under the New Master Engagement Agreement (together with the Caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

None of the Directors has any material interest in the New Master Engagement Agreement and the transactions contemplated thereunder and no Director is required to abstain from voting on the relevant Board resolutions. However, Mr. Yan Jianguo, being the Chairman and Executive Director of the Company and the Chairman and President of COHL, and Mr. Zhang Zhichao and Mr. Zhuang Yong, both being the Director of the Company and a director of COHL, have voluntarily abstained from voting on the Board resolutions of the Company approving the entering into of the New Master Engagement Agreement (together with the Caps) and the transactions contemplated thereunder.

LISTING RULES IMPLICATIONS

As at the date of this announcement, COHL is a controlling shareholder of both the Company and CSCD by virtue of it being interested in approximately 56.10% of the issued share capital of the Company and approximately 70.78% of the issued share capital of CSCD. Accordingly, members of the CSCD Group are connected persons of the Company. The transactions contemplated under the New Master Engagement Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

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GENERAL

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

The CSCD Group is principally engaged in general contracting business, facade contracting business (including design, engineering, manufacture, installation of curtain wall systems) and operating management business.

CSCEC is the ultimate holding company of each of COHL, the Company and CSCD. 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:

“Board”	the board of Directors;
“Caps”	the maximum total contract sum of the contracts in respect of the Construction Works that may be awarded by the Group to the CSCD Group for the relevant period(s)/year(s) under the New Master Engagement Agreement;
“COHL”	China Overseas Holdings Limited, a company incorporated in Hong Kong with limited liability, and the controlling shareholder of the Company and CSCD;

“Company”	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);
“connected person(s)”, “continuing connected transaction(s)”, “controlling shareholder(s)”, “percentage ratios” and “subsidiary(ies)”	each has the meaning ascribed to it under the Listing Rules;
“Construction Works”	provision of project supervision service for the property development projects of the Group in the PRC and provision of exterior facade works for the property development projects of the Group;
“CSCD”	China State Construction Development 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: 830);
“CSCD Group”	CSCD and its subsidiaries from time to time;
“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 each of COHL, the Company and CSCD;
“Director(s)”	the director(s) of the Company;
“Existing Master Engagement Agreement”	the master engagement agreement dated 29 March 2021 entered into between the Company and CSCD in respect of the engagement of the CSCD Group by the Group as contractor or service provider (as the case may be) for the provision of contracting and engineering works, project management, supervision and consultancy services in relation to the construction works of the Group for the period commenced from 1 July 2021 and ending on 30 June 2024 (both dates inclusive);
“Group”	the Company and its subsidiaries from time to time; (excluding subsidiary(ies) listed on any stock exchange and their respective subsidiary(ies), if any);
“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;
“Minority Controlled Group”	the companies held as to 30% to 50% by the Group and their respective subsidiaries from time to time (excluding those companies listed on any stock exchange and their subsidiaries);
“New Master Engagement Agreement”	the master engagement agreement dated 29 April 2024 entered into between the Company and CSCD in respect of the engagement of the CSCD Group by the Group as contractor or service provider (as the case may be) for the Group’s Construction Works from time to time for the period commencing from 1 July 2024 and ending on 30 June 2027 (both dates inclusive);
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan;
“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 Land & Investment Limited
Yan Jianguo
Chairman and Executive Director

Hong Kong, 29 April 2024

As at the date of this announcement, Mr. Yan Jianguo (Chairman), Mr. Luo Liang (Vice Chairman), Mr. Zhang Zhichao (Chief Executive Officer) and Mr. Guo Guanghui are the Executive Directors of the Company; Mr. Zhuang Yong (Vice Chairman) and Mr. Zhao Wenhai are the Non-executive Directors of the Company; and Mr. Li Man Bun, Brian David, Professor Chan Ka Keung, Ceajer and Dr. Chan Ching Har, Eliza, are the Independent Non-executive Directors of the Company.