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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)

CONTINUING CONNECTED TRANSACTIONS

**RENEWAL OF LEASE FRAMEWORK AGREEMENT
WITH
中國建築股份有限公司
(CHINA STATE CONSTRUCTION ENGINEERING CORPORATION LIMITED)**

NEW LEASE FRAMEWORK AGREEMENT

Reference is made to the announcement published by the Company dated 28 April 2023 in relation to, among other things, the Existing Lease Framework Agreement entered into between the Company and CSCECL.

As the Existing Lease Framework Agreement will expire on 30 April 2026 and CSCECL Group (as lessee) and the Group (as lessor) intends to continue the leasing transactions and renew the Existing Lease Framework Agreement, the Company and CSCECL have entered into the New Lease Framework Agreement on 29 April 2026 for a term commencing from 1 May 2026 and ending on 31 December 2028 (both dates inclusive), subject to the Annual Caps.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CSCECL is the intermediate controlling shareholder of the Company by virtue of it being interested in approximately 56.10% of the issued share capital of the Company. Accordingly, members of CSCECL Group are connected persons of the Company. The Leasing Transactions contemplated under the New Lease Framework 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 Annual Cap exceed 0.1% but are less than 5%, the Leasing Transactions contemplated under the New Lease Framework 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.

As the term of the individual leasing contracts contemplated under the New Lease Framework Agreement may exceed three years, the Independent Financial Adviser has been appointed pursuant to Rule 14A.52 of the Listing Rules to explain why a period exceeding three years is required and to confirm that it is normal business practice for agreements of this type to be of such duration.

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The principal terms of the New Lease Framework Agreement are summarised as follows:

Date

29 April 2026

Parties

1. The Company; and

2. CSCECL.

Term

The New Lease Framework Agreement has a term commencing from 1 May 2026 and ending on 31 December 2028 (both dates inclusive).

Subject Matter

Pursuant to the New Lease Framework Agreement, CSCECL Group (as lessee) may lease Properties from the Group (as lessor) from time to time. The Company and CSCECL agreed that:

(a) they may enter into, or procure members of the Group and CSCECL Group to enter into, the Leasing Transactions in the ordinary and usual course of their respective businesses within the limit of the Annual Caps; and

(b) during the term of the New Lease Framework Agreement, the relevant members of the Group and CSCECL Group may from time to time enter into separate definitive 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 New Lease Framework Agreement, in particular:

  (i) for the Group as lessor, its terms shall be on normal commercial terms and are fair and reasonable;

  (ii) the price for the Leasing Transactions shall be based on the pricing basis under the New Lease Framework Agreement, which is set out in the paragraph headed "Pricing Basis for the Leasing Transactions" below;

  (iii) the term of any separate lease agreements established under the New Lease Framework Agreement shall not exceed 20 years from the commencement date of the corresponding lease; and

  (iv) all the Leasing Transactions are in the ordinary and usual course of business of the Group and in the interest of the Company and its Shareholders as a whole.

Conditions Precedent

The Leasing Transactions (together with the Annual Caps) are conditional upon the Company having complied with all requirements under the Listing Rules with respect to the Leasing Transactions.

Pricing Basis for the Leasing Transactions

The rent for Properties leased by CSCECL Group (excluding rates, land rent, water charges, cleaning fees and electricity charges) shall be determined after arm's length negotiations between CSCECL Group and the Group and no less favourable to the Group than those offered to independent third parties, with reference to (i) the location, size, usage, nature and conditions of the Properties; (ii) the terms offered by the Group to the potential tenant and independent third parties under the existing or previous lease agreements (if any); (iii) number of Properties to be leased by the potential tenant; and (iv) the prevailing market rental level of at least three comparable properties within the proximity.

Payment Term

The rent for Properties leased by CSCECL Group are payable monthly, quarterly, or the period as stipulated under the terms of the underlying lease agreements between the parties and on such payment terms prescribed therein.

Annual Caps

The Annual Caps for the eight months ending 31 December 2026 and each of the two years ending 31 December 2027 and 31 December 2028 are as follows:

For the period from 1 May 2026 to 31 December 2026	For the financial year ending 31 December 2027	For the financial year ending 31 December 2028
RMB176 million	RMB315 million	RMB373 million

Calculation of the Annual Caps

The Annual Caps are calculated with reference to the following factors:

1. the historical transaction amounts under the Existing Lease Framework Agreement, being (i) approximately RMB83 million for the eight months ended 31 December 2023; (ii) approximately RMB130 million for the financial year ended 31 December 2024; (iii) approximately RMB140 million for the financial year ended 31 December 2025; and (iv) approximately RMB41 million for the three months ended 31 March 2026;

2. the rent and terms of existing lease agreements and the lease expiry profiles of CSCECL Group with the Group;

3. the estimated total contract sum of new leases that could be potentially entered into with CSCECL Group during the term of the New Lease Framework Agreement with reference to the scope of Properties that is expected to be available for lease by the Group to CSCECL Group during the term of the New Lease Framework Agreement, the leasing plans of CSCECL Group reflecting the potential leasing interest in the Properties, the leasing plans of the Group and the prevailing and projected average monthly rent per square meter charged by the Group to independent third parties for comparable properties within the proximity; and

4. provision of buffer to cover the possible increase in demand for the leasing of the Properties and possible fluctuation in rent in the PRC property market.

INTERNAL CONTROL PROCEDURES

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

(a) the Commercial Properties Unit of the Group will be responsible for negotiating the underlying lease agreements with the members of CSCECL Group in accordance with the terms of the New Lease Framework Agreement including, among other things, the pricing basis of the Leasing Transactions;

(b) the Commercial Properties Unit of the Group will monitor the payment terms for each of the underlying lease agreements and compare the prevailing market rent level of at least three comparable properties in the promixity with similar ages, sizes, uses and attributes to ensure that the rent of the Leasing Transactions will be on normal commercial terms or better;

(c) both the Commercial Properties Unit and the Finance Department of the Group will monitor the accumulated amounts payable for the Properties by members of CSCECL Group in order to ensure that the respective Annual Caps will not be exceeded and the Finance Department will submit quarterly reports to the Audit and Risk Management Committee and the Board including the accumulated rental amounts incurred for the reporting period and the status of compliance with the Annual Caps. The Audit and Risk Management Committee and the Board will review the reports in the relevant meetings;

(d) an external auditor will be appointed pursuant to the Listing Rules to conduct annual review of the Leasing Transactions and the Annual Caps; and

(e) the Independent Non-executive Directors will review all the continuing connected transactions of the Company 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, in particular, the pricing under the Leasing Transactions shall be no less favourable to the Group than those offered to independent third parties for similar transactions (as the case may be), and that such terms are fair and reasonable and in the interests of the Company and Shareholders as a whole.

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

The Group is principally engaged in property development, commercial property operations and other businesses, and property rentals is a core component of its commercial property operations. Long-term commitment by tenants of quality profile enhances the building image, generate stable occupancy and income over the medium term and CSCECL Group, one of the leading investment and construction group listed in the PRC, has been a long-term tenant of the Group. The New Lease Framework Agreement will facilitate the continuation and enhancement of Leasing Transactions as the parties explore further leasing opportunities in the Properties, which is expected to contribute to the Group's rental income. The entering into the New Lease Framework Agreement is in line with the Group's leasing strategies and corporate strategy of maximising its properties cashflow and value.

The Directors (including the Independent Non-executive Directors), having considered the opinion from the Independent Financial Adviser, consider that the New Lease Framework Agreement (together with the Annual Caps) has been entered into on normal commercial terms after arm's length negotiations between the parties, and the Leasing Transactions 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 Leasing Transactions (together with the Annual Caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

None of the Directors has material interest in the New Lease Framework Agreement, however, Mr. Yan Jianguo has voluntarily abstained from voting on the Board resolutions of the Company approving the same. Save as disclosed above, no other Directors have abstained from voting on the Board resolutions approving the New Lease Framework Agreement and the Leasing Transactions contemplated thereunder.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CSCECL is the intermediate controlling shareholder of the Company by virtue of it being interested in approximately 56.10% of the issued share capital of the Company. Accordingly, members of CSCECL Group are connected persons of the Company. The Leasing Transactions contemplated under the New Lease Framework 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 Annual Cap exceed 0.1% but are less than 5%, the Leasing Transactions contemplated under the New Lease Framework 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.

OPINION FROM THE INDEPENDENT FINANCIAL ADVISER

Under Rule 14A.52 of the Listing Rules, the term of an agreement governing continuing connected transactions of an issuer must not exceed three years except in special circumstances. Since the term of the individual leasing contracts contemplated under the New Lease Framework Agreement may exceed three years, the Company has appointed the Independent Financial Adviser to explain why a period exceeding three years is required and to confirm that it is normal business practice for agreements of this type to be of such duration.

Pursuant to Rule 14A.52 of the Listing Rules, the Independent Financial Adviser has formulated its opinion based on, among others, its independent research and analysis, the information set out in this announcement and its discussion with the management of the Company as follows:

(i) CSCECL is a conglomerate principally engaged in building construction, international contracting, real estate development and investment, infrastructure construction and investment and design and prospecting;

(ii) the Group is principally engaged in property development, commercial property operations and other businesses. The business activities of the Group are principally carried out in Hong Kong, Macau and the PRC. As part of the property development business of the Group, the Group may from time to time lease its Properties to lessees. In this connection, the management of the Company considered that entering into the leases with CSCECL Group pursuant to the New Lease Framework Agreement are in the ordinary and usual course of business of the Group;

(iii) the leases under the New Lease Framework Agreement allow the Company to maintain its long-term cooperation with CSCECL Group, while enabling the Group to secure stable rental income from the lessees, thereby diversifying its income base and supporting further business growth;

(iv) given that (i) CSCECL Group is a reputable corporation in the PRC, the management of the Company anticipates that leasing properties to CSCECL Group under the New Lease Framework Agreement will positively influence the overall image of the tenants of the subject Properties; and (ii) with the Group acting as lessor and CSCECL Group as lessees of these Properties, the arrangement is expected to further strengthen the Group's track record and reputation in its related business, thereby enhancing its competitiveness in the PRC property lease services sector going forward;

(v) based on this announcement, the rent for Properties leased by CSCECL Group (excluding rates, land rent, water charges, cleaning fees and electricity charges) shall be determined after arm's length negotiations between CSCECL Group and the Group, and no less favourable to the Group than those offered to independent third parties, determined by a pricing mechanism with reference to (i) the location, size, usage, nature and conditions of the Properties; (ii) the terms offered by the Group to the potential tenant under the existing or previous lease agreements (if any); (iii) number of Properties to be leased by the potential tenant; and (iv) the prevailing market rental level of at least three comparable properties within the proximity;

(vi) the Independent Financial Adviser identified and reviewed not less than 15 market lease transactions relating to the leasing of commercial/retail/other properties with contract terms ranging from not less than 5 years to no more than 20 years, entered into by the listed companies listed on the Stock Exchange and were effective as at the date of this announcement (the "**Market Lease Transactions**"), the maximum duration of 20 years of the individual lease term contemplated under the New Lease Framework Agreement falls within the range of the Market Lease Transactions; and

(vii) as advised by the management of the Company, it is the Group's usual practice to offer long-term leases of over three years. The Independent Financial Adviser has obtained and reviewed samples of lease contract for the leasing of commercial/retail/other properties entered into between members of the Group and independent third parties. Based on the review of the abovementioned sample contracts, the Independent Financial Adviser noted that all of the lease term of the sampled contracts were in excess of 3 years.

Based on the above considerations, the Independent Financial Adviser is of the opinion that the duration of the individual lease term under the New Lease Framework Agreement in excess of 3 years and less than 20 years is reasonable and it is normal business practice for agreements of this type to be such duration and therefore is in the interests of the Company and its Shareholders as a whole to enter into the individual lease term under the New Lease Framework Agreement of such duration.

GENERAL

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

CSCECL is the intermediate controlling shareholder of the Company. CSCECL is a contractor which is principally engaged in construction works in various cities in the PRC and various countries around the world.

CSCEC (a state-owned corporation of the PRC) is the ultimate holding company of CSCECL and the Company. 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:

"Annual Cap(s)"	the maximum aggregate amounts to be received by the Group from CSCECL Group for the relevant period(s)/year(s) under the New Lease Framework Agreement;
"Board"	the board of Directors;
"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);
"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, being the ultimate holding company of each of CSCECL and the Company;
"CSCECL"	中國建築股份有限公司 (China State Construction Engineering Corporation Limited), a joint stock company established in the PRC whose shares are listed on the Shanghai Stock Exchange (stock code: 601668), is a non-wholly owned subsidiary of CSCEC and the intermediate controlling shareholder of the Company;
"CSCECL Group"	CSCECL and its subsidiaries (excluding subsidiary(ies) listed on any stock exchange and their respective subsidiary(ies), if any) from time to time;
"Director(s)"	the director(s) of the Company;

"Existing Lease Framework Agreement"	the framework agreement dated 28 April 2023 entered into between the Company and CSCECL in respect of the leasing of Properties to CSCECL Group by the Group;
"Group"	the Company and its subsidiaries (excluding subsidiary(ies) listed on any stock exchange and their respective subsidiary(ies), if any) from time to time;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"Independent Financial Adviser"	Red Sun Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities), and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
"Leasing Transactions"	the leasing of the Properties to CSCECL Group by the Group as contemplated under the New Lease Framework Agreement;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"New Lease Framework Agreement"	the framework agreement dated 29 April 2026 entered into between the Company and CSCECL in respect of the Leasing Transactions;
"PRC"	the People's Republic of China, but for the purpose of this announcement excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
"Properties"	the properties owned by the Group, including but not limited to apartments, office premises, shops, car parking spaces, 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.

* *English translation for identification purpose only*

In this announcement, unless the context requires otherwise, the terms "connected person(s)", "continuing connected transactions", "controlling shareholder", "holding company(ies)", "percentage ratio(s)" and "subsidiary(ies)" shall have the meanings ascribed to it in the Listing Rules.

By Order of the Board
China Overseas Land & Investment Limited
Yan Jianguo
Chairman and Executive Director

Hong Kong, 29 April 2026

As at the date of this announcement, Mr. Yan Jianguo (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. Ma Yao 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.