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## **VERY SUBSTANTIAL DISPOSAL LAND RESUMPTION; AND RESUMPTION OF TRADING**

### **LAND RESUMPTION AGREEMENT**

On 23 December 2024 (after trading hours of the Stock Exchange), Dalian Jinrijunjian Paradise, an indirect wholly-owned subsidiary of the Company, entered into the Land Resumption Agreement (as supplemented and amended by the supplemental agreement dated 10 January 2025) with the Local Authority, in respect of the Land Resumption. Pursuant to the Land Resumption Agreement, Dalian Jinrijunjian Paradise shall surrender the Resumed Land to the Local Authority at a consideration by way of cash compensation of RMB109,000,000 (equivalent to approximately HK\$114,842,000).

### **IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Land Resumption exceed 75%, the Land Resumption constitutes a very substantial disposal for the Company and is therefore subject to the notification, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

\* For identification purpose only

Pursuant to the Listing Rules, any Shareholder who has a material interest in the Land Resumption and his/her/its close associates will abstain from voting on the relevant resolutions at the SGM. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Shareholders has any material interest in the Land Resumption as contemplated under the Land Resumption Agreement and therefore none of the Shareholders and their associates would be required to abstain from voting on the ordinary resolution to approve the Land Resumption Agreement and the transactions contemplated thereunder at the SGM.

## **GENERAL**

A circular, containing, among other things (i) further information in relation to the Land Resumption Agreement and the transactions contemplated thereunder; (ii) an independent valuation report in relation to the Resumed Land; (iii) the notice convening the SGM; and (iv) other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 21 February 2025 in accordance with the Listing Rules, so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange has been halted from 9:00 a.m. on 31 December 2024 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:00 a.m. on 14 January 2025.

The Board announces that, on 23 December 2024 (after trading hours of the Stock Exchange), Dalian Jinrijunjian Paradise, an indirect wholly-owned subsidiary of the Company, entered into the Land Resumption Agreement (as supplemented and amended by the supplemental agreement dated 10 January 2025) with the Local Authority, in respect of the Land Resumption. Pursuant to the Land Resumption Agreement, Dalian Jinrijunjian Paradise shall surrender the Resumed Land to the Local Authority at a consideration by way of cash compensation of RMB109,000,000 (equivalent to approximately HK\$114,842,000).

## **LAND RESUMPTION AGREEMENT**

The principal terms of the Land Resumption Agreement are set out below:

Date: 23 December 2024

Parties: (1) Dalian Jinrijunjian Paradise

(2) The Local Authority

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Local Authority, a government authority in Dalian Jinpu New District, Liaoning Province, the PRC and its ultimate beneficial owner are Independent Third Parties.

Pursuant to the Land Resumption Agreement, Dalian Jinrijunjian Paradise shall surrender, and the Local Authority, shall resume, the Resumed Land.

### **Resumed Land**

The Resumed Land comprises one parcel of land with an aggregate site area of approximately 246,091 sq. m. located at Longwangmiao Village, Youyi Street, Jinzhou District, Dalian City, Liaoning Province, the PRC (parcel number: 210102). The Resumed Land was originally designated for the development of a medical and hygiene use project with a planned GFA of approximately 123,046 sq.m. located at Jinzhou District, Dalian, as part of the Group's property development operations and was expected to recognise revenue for the Group starting from the fourth quarter of 2025. However, as at the date of this announcement, the Group's application for changing the use of the land to commercial has not been approved and the Resumed Land remains undeveloped and is an idle land held by Dalian Jinrijunjian Paradise. Further to the land planning requirements of the local government of Dalian City, Dalian Jinrijunjian Paradise agreed to surrender the Resumed Land to the Local Authority pursuant to the Land Resumption Agreement.

Pursuant to the terms and conditions of the Land Resumption Agreement, Dalian Jinrijunjian Paradise shall (a) surrender the land use rights of the Resumed Land and return the original of documents such as the land use certificate and state-owned land use rights transfer agreement to the Local Authority; and (b) arrange for the de-registration of the land title under its name.

## **Compensation and payment terms**

Pursuant to the Land Resumption Agreement, the total Compensation payable to Dalian Jinrijunjian Paradise for the Land Resumption is RMB109,000,000 (equivalent to approximately HK\$114,842,000), which shall be payable in cash by the Local Authority to Dalian Jinrijunjian Paradise by instalments in the following manner:

- (a) as to the amount of RMB9,000,000 (equivalent to approximately HK\$9,482,000) by 30 December 2024;
- (b) as to the amount of RMB34,000,000 (equivalent to approximately HK\$35,822,000) by 31 December 2025;
- (c) as to the amount of RMB33,000,000 (equivalent to approximately HK\$34,769,000) by 31 December 2026; and
- (d) as to the remaining amount of RMB33,000,000 (equivalent to approximately HK\$34,769,000) by 31 December 2027.

The Compensation was determined after arm's length negotiation between Dalian Jinrijunjian Paradise and the Local Authority with reference to the laws, regulations and procedures applicable to resumption of state-owned lands in Dalian City, Liaoning Province, the PRC and the valuation report in respect of the Resumed Land conducted by Liaoning Huading Real Estate Land Valuation Co., Ltd.\* (遼寧華鼎房地產土地估價有限公司), an independent professional valuer, which has assessed the value of the Resumed Land in the amount of RMB133,873,500 as at 13 August 2024 with the direct comparison method under the market approach assuming that the basic earthworks of water, sewerage, electricity, transportation, communication and gas were constructed thereon. The direct comparison under the market approach is considered to be the most preferable and generally accepted method to adopt when market comparables are readily available and it takes into account recent market transaction evidences of properties within neighbouring region of the properties concerned and similar developments which have characteristics such as use, condition and size comparable to the properties concerned. However, as at the date of this announcement, such earthworks of water, sewerage, electricity, transportation, communication and gas have not yet been constructed thereon, and as such, the Local Authority will be responsible for the construction after Completion, and the cost of constructions has been accounted for in the amount of the Compensation payable by the Local Authority to Dalian Jinrijunjian Paradise, which is estimated to amount to approximately RMB25,954,600, which is the aggregate sum of the following costs:

- (a) filling cost of approximately RMB6,716,000 obtained by multiplying total fill volume with the fill unit price;

- (b) excavation cost of approximately RMB16,978,500 obtained by multiplying the total excavation volume with the blasting and transportation unit price;
- (c) cost of breaking of large rocks of approximately RMB545,400 obtained by multiplying the total excavation volume with the large rock rate divided by the price of aggregate work volume; and
- (d) landscaping and afforestation cost of approximately RMB1,714,700 obtained by multiplying the amount of soil for landscaping and the soil transportation unit price.

The Directors consider that the terms of the Land Resumption Agreement (including the amount of the Compensation) are fair, reasonable and in the interest of the Company and the Shareholders as a whole.

As at the date of this announcement, the first instalment of the Compensation in the amount of RMB9,000,000 has been received by Dalian Jinrijunjian Paradise.

### **Condition precedent**

The Completion is conditional on Dalian Jinrijunjian Paradise and the Company having acquired all necessary permission, consent and approval (including but not limited to approval of the board of directors of Dalian Jinrijunjian Paradise, the Board, and the Shareholders at the SGM).

### **Completion**

Completion shall take place within 10 working days upon the fulfilment of the condition precedent stipulated under the Land Resumption Agreement, whereby Dalian Jinrijunjian Paradise shall surrender the land use rights of the Resumed Land and return the original of documents such as the land use certificate and state-owned land use rights transfer agreement to the Local Authority.

## REASONS FOR AND BENEFITS OF THE LAND RESUMPTION

The Company is principally engaged in investment holding and the Group is principally engaged in the property development of properties for sale in the PRC, the investment of commercial and residential properties located in the PRC for rental income potential and/or for capital appreciation, the provision of project management services in the PRC and the provision of investment services in relation to investment in and sale of property development and old village land redevelopment projects in the PRC.

The Resumed Land was acquired by Dalian Jinrijunjian Paradise in February 2005. At the time of acquisition, it was originally intended that the Resumed Land would be used for the development of a medical and hygiene project and the Group has applied for the change of use of land to commercial. However, the Group's application has not yet been approved as of the date of this announcement. As such, the Resumed Land has been put on idle for years since its acquisition. As at the date of this announcement, the Resumed Land remained undeveloped. Accordingly, the Board is of the view that the Land Resumption will not have any material adverse effect on the Group's operation and principal business activities. Further, with reference to the independent valuation of the Resumed Land conducted as at 13 August 2024, the Compensation is considered to be fair and reasonable. Accordingly, the Group is willing to cooperate with the local government of Dalian City for the Land Resumption. Moreover, the proceeds from the Land Resumption could provide additional cash flow and enhance the working capital situation of the Group.

Following Completion, the Group will continue to operate the following projects in terms of its operations in the property development segment:

Project	Use	Market value as at 31 March 2024 (RMB'000)	Development stage	GFA of the development (sq.m.)	Total revenue expected to be recognised for the whole project (RMB'000)	Timeline of revenue recognition	Whether the revenue will be consolidated into the Company's financial statements
Shahekou District, Dalian (Shahekou District Dalian Project)	Mixed	27,680,000	Completed for sale	217,200	55,620	Starting from second quarter of 2025	Yes
Sujiatun District, Shenyang	Mixed	598,000,000	To be developed	1,914,900	5,000,000	Starting from third quarter of 2027	Yes
Chaoyang District, Beijing*	Commercial	No commercial value	To be developed	45,000	6,800,000	Starting from 2030	Yes
Beipei District, Chongqing (Chongqing Silo City Project)*	Residential	26,250,000	Completed for sale	12,291	35,333	Starting from first quarter of 2025	Yes
Ganjingzi District, Dalian (Dalian Jianzhu Project)*	Residential	56,000,000	Completed for sale	4,697	62,233	Starting from first quarter of 2025	Yes

- \* The Group intends to develop the project for the investment purpose and it is expected that the property will generate aggregate rental income in the estimated amount of RMB6.8 billion over the course of 35 years starting from 2030.
- # As disclosed in the Company's announcement dated 18 April 2024, approximately 29.8% of the Chongqing Silo City Project and approximately 24.05% of the Dalian Jianzhu Project will be transferred by the Group in settlement of a legal case and the remaining parts of the Chongqing Silo City Project and the Dalian Jianzhu Project will continue to be operated by the Group. As such, the figures stated herein represent the value for the projects remaining after such transfer.

The Group is expected to continue to generate its revenue mainly from its property development segment, which involves the sale of completed properties, and property investment segment, which involves the investment of the Group in commercial and residential properties located in the PRC for rental income potential and/or capital appreciation. The Group develops quality residential estates for upper to middle class domestic market for its property development segment. For its property investment segment, the Group holds some of its properties, including commercial and residential properties located in the PRC, for investment purposes. In managing its investment property portfolio, the Group takes into account the long-term growth potential and overall market conditions of the properties and the Group may sell some of the investment properties when it is in its interests to do so. For the six months ended 30 September 2024, the revenue derived from its property investment segment represented the total revenue of the Company for the period. The revenue derived from the Group's property development segment contracted for the six months ended 30 September 2024 in view of current down cycle of the PRC real estate industry, such that the Group has adopted a more conservative approach in investing in new development projects. However, the Group continues to look for opportunities to realise its investment in its development projects as part of the Group's business activities in the property development segment in order to reduce its debts. As illustrated in the table above, the Chongqing Silo City Project and the Dalian Jianzhu Project are expected to generate revenue for the Group for the financial year ending 31 March 2025. As such, in light of the assets and operations of the Group, the Board is of the view that following Completion, the Group will continue to meet the requirements of Rule 13.24 of the Listing Rules in respect of sufficiency of operations and assets.

Taking into account of the above, the Directors (including the independent non-executive Directors) consider that the terms of the Land Resumption Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **Financial effects of the Land Resumption**

Based on the latest audited financial statements as at 31 March 2024, the net book value of the Resumed Land was approximately RMB172,000,000 (equivalent to approximately HK\$189,730,000 based on a conversion of RMB into HK\$ is calculated at the approximate exchange rate of RMB1 to HK\$1.1031). On account of the Compensation of RMB109,000,000 (equivalent to approximately HK\$114,842,000), the Company is expected to record an unaudited loss from the Land Resumption of approximately RMB63,000,000 (equivalent to approximately HK\$66,377,000). The actual amount of the loss from the Land Resumption to be recorded by the Group is subject to audit and will take into account any costs and expenses incurred relating to the Land Resumption, and accordingly, it may be different from the amount stated above.

Prior to the Completion, the Resumed Land will be written down to net realisable value in the Group's consolidated statement of financial position and an impairment loss of the Resumed Land will be recognised in the Group's other income and gains. Upon Completion, no financial effects of the Compensation will be further accounted for.

No net profit of the Group was attributable to the Resumed Land for the two financial years immediately preceding the date of the Land Resumption Agreement.

## **Proposed use of proceeds**

The net proceeds (after deducting the relevant PRC enterprise income tax and professional fees payable) arising from the Land Resumption will be approximately RMB108,500,000 (equivalent to approximately HK\$114,316,000).

The net proceeds will be used as to approximately 90% for the repayment of debts of the Group, including but not limited to the bank borrowings and amount due to a substantial shareholder of the Company, and as to approximately 10% for the Group's general working capital.

## **INFORMATION OF THE PARTIES TO THE LAND RESUMPTION AGREEMENT**

Dalian Jinrijunjian Paradise is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. Dalian Jinrijunjian Paradise is principally engaged in property development.



The Local Authority is a PRC government authority entrusted by the local government of Dalian City, Liaoning Province, the PRC to be responsible for, among others, the implementation of the Land Resumption.

## **IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Land Resumption exceed 75%, the Land Resumption constitutes a very substantial disposal for the Company and is therefore subject to the notification, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Pursuant to the Listing Rules, any Shareholder who has a material interest in the Land Resumption and his/her/its close associates will abstain from voting on the relevant resolutions at the SGM. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Shareholders has any material interest in the Land Resumption as contemplated under the Land Resumption Agreement and therefore none of the Shareholders and their associates would be required to abstain from voting on the ordinary resolution to approve the Land Resumption Agreement and the transactions contemplated thereunder at the SGM.

## **GENERAL**

A circular, containing, among other things (i) further information in relation to the Land Resumption Agreement and the transactions contemplated thereunder; (ii) an independent valuation report in relation to the Resumed Land; (iii) the notice convening the SGM; and (iv) other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 21 February 2025 in accordance with the Listing Rules, so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange has been halted from 9:00 a.m. on 31 December 2024 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:00 a.m. on 14 January 2025.

## DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Coastal Greenland Limited (沿海綠色家園有限公司*), a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Stock Exchange (stock code: 1124)
“Completion”	completion of the Land Resumption in accordance with the terms and conditions of the Land Resumption Agreement
“Compensation”	the aggregate consideration by way of cash compensation for the Land Resumption, being the amount of RMB109,000,000, payable by the Local Authority to the Dalian Jinrijunjian Paradise pursuant to the Land Resumption Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Dalian Jinrijunjian Paradise”	Dalian Jinrijunjian Paradise* (大連金日君健樂園), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Director(s)”	the director(s) of the Company
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party”	any person or company and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons (as defined in the Listing Rules)
“Land Resumption”	the resumption of the Resumed Land by the Local Authority pursuant to the terms and conditions of the Land Resumption Agreement
“Land Resumption Agreement”	the land resumption agreement dated 23 December 2024 (as supplemented and amended by the supplemental agreement dated 10 January 2025 entered into between Dalian Jinrijunjian Paradise and the Local Authority) and entered into between Dalian Jinrijunjian Paradise and the Local Authority in relation to, among others, the Land Resumption
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Local Authority”	Dalian Jinpu New District Natural Resources Bureau* (大連金普新區自然資源局), being a PRC government authority entrusted by the local government of Dalian City, Liaoning Province, the PRC to be responsible for, among others, the implementation of the Land Resumption
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Resumed Land”	the land located at Longwangmiao Village, Youyi Street, Jinzhou District, Dalian City, Liaoning Province, the PRC (parcel number: 210102) with an aggregate site area of approximately 246,091 sq. m., including all the fixture (such as constructions, structures and trees) on such land, which is intended to be resumed by the Local Authority pursuant to the Land Resumption Agreement

“RMB”	Renminbi, the lawful currency of the PRC
“SGM”	the special general meeting of the Company to be convened for the Shareholders to consider, and if thought fit, approve the Land Resumption Agreement and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) of HK\$1.00 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“sq. m.”	square meter
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

*For the purpose of this announcement, unless otherwise indicated, conversion of RMB into HK\$ is calculated at the approximate exchange rate of RMB1 to HK\$1.0536. This exchange rate is for illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be exchanged at this or any other rate at all.*

\* For identification purpose only

By order of the Board  
**Coastal Greenland Limited**  
**Jiang Ming**  
*Chairman*

Hong Kong, 13 January 2025

*As at the date of this announcement, the Board comprises Mr. Jiang Ming, Dr. Li Ting, Mr. Lin Chen Hsin and Ms. Tong Xinhua as executive Directors, Mr. Qiu Guizhong and Mr. Zhou Xiya as non-executive Directors and Mr. Wong Kai Cheong, Mr. Yang Jiangang and Mr. Huang Xihua as independent non-executive Directors.*