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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Coastal Greenland Limited (the “Company”), you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**COASTAL 沿海**  
**COASTAL GREENLAND LIMITED**  
**沿海綠色家園有限公司\***  
*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 1124)**

**(1) VERY SUBSTANTIAL DISPOSAL; AND**  
**(2) NOTICE OF SPECIAL GENERAL MEETING**

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Unless the context otherwise requires, all capitalised terms used in this circular have the meanings set out in the section headed “Definitions” of this circular.

A notice convening an SGM of the Company to be held at 2/F, 35-45B Bonham Strand, Sheung Wan, Hong Kong on Thursday, 6 March 2025, at 2:30 p.m. or any adjournment thereof is set out on pages SGM-1 to SGM-2 of this circular. A proxy form for use in the SGM is enclosed. Whether or not you propose to attend the meeting, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return the same to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not later than Tuesday, 4 March 2025 at 2:30 p.m. (Hong Kong time). Completion and return of the proxy form will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

14 February 2025

\* For identification purpose only

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“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 shares of which are listed on the Main Board of the Stock Exchange (stock code: 1124)
“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
“Completion”	completion of the Land Resumption in accordance with the terms and conditions of 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(ies)”	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)

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## DEFINITIONS

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“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
“Latest Practicable Date”	11 February 2025, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“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 purposes of this circular, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China 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

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## DEFINITIONS

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“SGM”	the special general meeting of the Company to be convened and held 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 the Share(s) of the Company
“sq. m.”	square metre(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

*For the purpose of this circular, 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.*

*\* The English translation of the Chinese name is for identification purposes only and should not be regarded as the official English translation of such name.*

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## LETTER FROM THE BOARD

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**COASTAL** 沿海  
**COASTAL GREENLAND LIMITED**  
**沿海綠色家園有限公司\***  
*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 1124)**

*Executive Directors:*

Mr. Jiang Ming  
Dr. Li Ting  
Mr. Lin Chen Hsin  
Ms. Tong Xinhua

*Registered office:*

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Hamilton HM11  
Bermuda

*Non-executive Directors:*

Mr. Qiu Guizhong  
Mr. Zhou Xiya

*Principal place of business  
in Hong Kong:*

Suite 1712-16, 17th Floor  
China Merchants Tower  
Shun Tak Centre  
168-200 Connaught Road Central  
Sheung Wan  
Hong Kong

*Independent non-executive Directors:*

Mr. Wong Kai Cheong  
Mr. Yang Jiangang  
Mr. Huang Xihua

14 February 2025

*To the Shareholders*

Dear Sir/Madam,

**(1) VERY SUBSTANTIAL DISPOSAL; AND  
(2) NOTICE OF SPECIAL GENERAL MEETING**

**INTRODUCTION**

Reference is made to the announcement of the Company dated 13 January 2025 in respect of the Land Resumption pursuant to the Land Resumption Agreement.

The purpose of this circular is to provide you with (i) further information in relation to the Land Resumption Agreement; (ii) an independent valuation report in relation to the Resumed Land; (iii) the notice contemplated convening the SGM; and (iv) other information as required under the Listing Rules.

\* For identification purpose only

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## LETTER FROM THE BOARD

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### BACKGROUND

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\$114,842,400).

### THE LAND RESUMPTION AGREEMENT

Date : 23 December 2024

Parties : (i) Dalian Jinrijunjian Paradise  
(ii) The Local Authority

### Resumed Land

The Resumed Land comprises of 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 acquired by Dalian Jinrijunjian Paradise in February 2005 at the acquisition cost of RMB71,800,000 and 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 Latest Practicable Date, 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.

### 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).

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## LETTER FROM THE BOARD

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### 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\$114,842,400), 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\$9,482,400) by 30 December 2024;
- (b) as to the amount of RMB34,000,000 (equivalent to approximately HK\$35,822,400) by 31 December 2025;
- (c) as to the amount of RMB33,000,000 (equivalent to approximately HK\$34,768,800) by 31 December 2026; and
- (d) as to the remaining amount of RMB33,000,000 (equivalent to approximately HK\$34,768,800) by 31 December 2027.

As at the Latest Practicable Date, the first instalment of the Compensation in the amount of RMB9,000,000 (equivalent to approximately HK\$9,482,400) has been received by Dalian Jinrijunjian Paradise.

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 Latest Practicable Date, 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;



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## LETTER FROM THE BOARD

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- (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.

### **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 health care 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 at the Latest Practicable Date. As such, the Resumed Land has been put on idle for around 10 years since its acquisition. As at the Latest Practicable Date, 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 Company is willing to cooperate with the local government of Dalian City for the Land Resumption.

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## LETTER FROM THE BOARD

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Taking into account that:

- (i) the likelihood of the success of the Group's application for a change of use of the Resumed Land as aforesaid in the near future is minimal, which limits the potential for developments, such that the Resumed Land to be unlikely to be able to maintain its value in the long run;
- (ii) the current downturn experienced by the real property market in the PRC makes it challenging for the Group to procure buyers who are willing to offer better payment terms than those currently offered by the Local Authority and a higher price than the amount of the Compensation for the Resumed Land. Moreover, the high costs associated with potential development of the Resumed Land coupled with the difficulties in selling properties under the current market sentiments, pursuing alternative uses for the Resumed Land could lead to further potential losses. Thus, the deep discount of the Compensation of RMB109 million in respect of the audited net book value of the Resumed Land of RMB172 million as at 31 March 2024 is a reflection of the prevailing market conditions and the risks associated with the prolonged possession of the Resumed Land; and
- (iii) the proceeds from the Land Resumption could provide additional cash flow and enhance the working capital situation of the Group, which is currently faced with cash flow constraints, whereby the receipt of the Compensation by the Group can address its current financial obligations by providing the necessary liquidity to lower its debt levels and reduce finance costs and ultimately contributing to the Group's long term stability,

the Land Resumption is a strategic decision of the Group which aims at safeguarding the Company's interests against the current market realities and financial pressures. As such, the Directors (including the independent non-executive Directors) considers that the terms of the Land Resumption Agreement (including the amount of the Compensation and the payment terms of the Compensation) and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

## LETTER FROM THE BOARD

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	47,680	Completed for sale	217,200	55,620	Starting from second quarter of 2025	Yes
Sujiatun District, Shenyang	Mixed	598,000	To be developed	1,273,050	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) <sup>#</sup>	Residential	26,250	Completed for sale	266,149	35,333	Starting from first quarter of 2025	Yes
Ganjingzi District, Dalian (Dalian Jianzhu Project) <sup>#</sup>	Residential	56,000	Completed for sale	168,900	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.

<sup>#</sup> 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 investment segment contracted for the six months ended 30 September 2024 in view of current down cycle of the PRC

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## LETTER FROM THE BOARD

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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.

### FINANCIAL EFFECTS OF THE LAND RESUMPTION AND USE OF PROCEEDS

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\$114,842,400), 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. As at the Latest Practicable Date, the first instalment of the Compensation in the amount of RMB9,000,000 (equivalent to approximately HK\$9,482,400) has been received by Dalian Jinrijunjian Paradise and will be recognized as cash and bank balances in the financial statements of the Company and the remaining amount of the Compensation in the amount of RMB100,000,000 (equivalent to approximately HK\$105,360,000) will be recorded as other receivables in the financial statements of the Company.

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

Shareholders should note that the financial effects are shown for reference only and the actual amount of gain or loss as a result of the Completion will be assessed based on the financial position of the Company as at Completion, which will be audited, and eventually be recognised in the consolidated financial statements of the Company.

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## LETTER FROM THE BOARD

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### **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. 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.

### **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 exceeds 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.

### **SGM**

A notice convening the SGM to be held at 2/F, 35-45B Bonham Strand, Sheung Wan, Hong Kong on Thursday, 6 March 2025 at 2:30 p.m. is set out on pages SGM-1 to SGM-2 of this circular.

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## LETTER FROM THE BOARD

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A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not later than Tuesday, 4 March 2025 at 2:30 p.m. (Hong Kong time). Completion and return of the form of proxy will not preclude you from attending and voting in person or via online (if applicable) at the SGM or any adjournment thereof should you so wish.

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.

The resolution approving the Land Resumption Agreement will be voted by way of a poll at the SGM.

### **CLOSURE OF REGISTER OF MEMBERS**

For determining the entitlement to attend and vote at the SGM, the register of members of the Company will be closed from Monday, 3 March 2025 to Thursday, 6 March 2025, both days inclusive, during which period no transfer of the Shares will be registered. In order to be eligible to attend and vote at the SGM, unregistered holders of Shares shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:00 p.m. on Friday, 28 February 2025.

### **RECOMMENDATIONS**

The Directors are of the opinion that the terms of the Land Resumption Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and the Land Resumption is in the interests of the Company and the Shareholders as a whole.

Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Land Resumption Agreement and the transactions contemplated thereunder.

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## LETTER FROM THE BOARD

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### ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully  
For and on behalf of the Board  
**Coastal Greenland Limited**  
**Jiang Ming**  
*Chairman*

**1. FINANCIAL INFORMATION OF THE GROUP**

Financial information of the Group for the financial years ended 31 March 2022, 31 March 2023 and 31 March 2024 and the six months ended 30 September 2024 are disclosed in the following documents which have been published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.coastal.com.cn](http://www.coastal.com.cn)). Quick links to the annual reports and the interim report of the Company published on the website of the Stock Exchange are set out below. There was no qualified opinion issued for the audited financial information of the Group for the financial years ended 31 March 2022, 31 March 2023 and 31 March 2024.

- the annual report of the Group for the year ended 31 March 2022 published on 28 July 2022 (pages 59 to 150) available on <https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0728/2022072800465.pdf>
- the annual report of the Group for the year ended 31 March 2023 published on 28 July 2023 (pages 60 to 148) available on <https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0728/2023072800753.pdf>
- the annual report of the Group for the year ended 31 March 2024 published on 26 July 2024 (pages 60 to 154) available on <https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0726/2024072601349.pdf>
- the interim report of the Group for the six months ended 30 September 2024 published on 24 December 2024 (pages 5 to 27) available on <https://www1.hkexnews.hk/listedco/listconews/sehk/2024/1224/2024122400227.pdf>

**2. STATEMENT OF INDEBTEDNESS****Borrowings**

At the close of business on 31 December 2024, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had outstanding borrowings of approximately HK\$234.4 million, all of which were secured and guaranteed bank and other borrowings. The Group's banking borrowings and facilities were secured by charges over its assets, including land and buildings, investment properties, right of use assets, corporate guarantee from the Company and certain subsidiaries, corporate guarantees from third parties and personal guarantee and assets from the substantial shareholder. The Group's other borrowings were secured by charges over its assets, including financial asset at FVTOCI and personal guarantee and assets from the substantial shareholder.



**Amount due to a substantial shareholder**

As at 31 December 2024, the Group had amount due to a substantial shareholder of the Company of approximately HK\$224.3 million, which is unsecured, interest-free and repayable on demand.

**Disclaimer**

Save as aforesaid or as otherwise disclosed herein, the Group did not have any debt securities issued and outstanding, or authorised or otherwise created but unissued, any term loans (secured, unsecured, guaranteed or not), any other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments (whether secured or unsecured, guaranteed or not), lease liabilities, any mortgages or charges, or other material contingent liabilities or guarantees at the close of business of 31 December 2024.

Foreign currency amounts have been translated into Hong Kong dollars at the rates of exchange prevailing at the close of business on 31 December 2024. The Directors are not aware of any material changes in the Group's indebtedness and contingent liabilities since 31 December 2024.

**3. WORKING CAPITAL**

In the preparing of the Group's working capital forecast, the Directors, after due and careful enquiry, are of the opinion that the working capital available to the Group is sufficient for the Group's requirements for at least 12 months from the date of this circular after taking into account (i) the internal resources of the Group; (ii) the available credit facilities of the Group; and (iii) the Land Resumption. The Company has obtained the relevant confirmation(s) as required under Rule 14.66(12) of the Listing Rules.

**4. MATERIAL ADVERSE CHANGE**

The Directors have confirmed that, as at the Latest Practicable Date, there has been no material adverse change in the financial or trading position of the Group since 31 March 2024, being the date to which the latest published audited financial statements of the Company were made up.

## 5. FINANCIAL AND TRADING PROSPECTS

During the financial year ended 31 March 2024 (the “FY2024”), the Group generated revenue of HK\$4.2 million, as compared to the HK\$211.4 million for the financial year ended 31 March 2023 (the “FY2023”). For the FY2024, the Group incurred a loss before taxation of HK\$1,475.1 million, compared to a loss before taxation of HK\$479.2 million for the FY2023. Loss for the FY2024 attributable to owner of the Company was HK\$1,399.5 million, compared to a loss of HK\$426.5 million for the FY2023.

During the FY2024, the Group recorded contracted sales in the amount of HK\$0.4 million (2023: HK\$19.5 million) which corresponds to a total GFA of approximately 84 sq. m. (2023: 6,000 sq. m.). Included in the amount was HK\$0.4 million (2023: HK\$1.5 million) related to contracted sales attributable to a development project in which the Group has equity interests of 35% (2023: 35%) and of which the Group is the project manager. Such development project accounted for a corresponding GFA of approximately 2,500 sq. m. (2023: 400 sq. m.).

While business activities in the PRC have been gradually resuming following the lifting of COVID-19 restrictions in early 2023, the overall business environment remained challenging as the global economic outlook is weak and filled with uncertainties. The central government continues to positively monitor the macro economy and has since launched various economic policies and measures to support the PRC property market and activate the capital market, as well as improve the business environment for different sectors. Following these positive factors, the PRC’s economy has showed signs of improvement broadly, although the consumer confidence remains cautious and the real estate industry is still in an adjustment cycle in the near term. The Group will cautiously watch out for the outlook and the prospects of the real estate market and seize investment opportunities as appropriate.

Confronted with industry challenges, the Group will continue to formulate its business strategy along the direction of government policies, resolutely fulfill the Group’s mission and corporate responsibility.

Going forward, the Group will cautiously continue to seek opportunities of participation in city redevelopment of old villages or old plants and factories to replenish its property portfolio as an ongoing business exercise and as a means of replenishing a lower cost land bank. For business development, the Group will also look for different thriving business opportunities that will benefit the Group in the years ahead. On 19 March 2024, the Company has incorporated a wholly-owned subsidiary, namely Coastal A.I. Solutions Limited (沿海人工智能實業應用有限公司) (“Coastal A.I. Solutions”) in Hong Kong. It is intended that Coastal A.I. Solutions would principally engage in artificial intelligence-related projects, being a new business segment of the Group currently in the initial phase of research and development. The Group would utilise its own funds to develop the new business segment and there is no certainty about the outcome of the development of the new business segment. Details of which are set out in the announcement of the Company dated 19 March 2024.

**6. MANAGEMENT DISCUSSION AND ANALYSIS OF THE GROUP AFTER COMPLETION**

Set out below is the management discussion and analysis of the Group after Completion for the financial years ended 31 March 2022, 31 March 2023 and 31 March 2024 and for the six months ended 30 September 2024. The financial data in respect of the Group after Completion, for the purpose of this circular, is derived from the consolidated financial statements of the Company for the financial years ended 31 March 2022, 31 March 2023 and 31 March 2024 and the six months ended 30 September 2024.

The Group was principally engaged in property development and property investment.

**For the year ended 31 March 2022****A. *Operational and Financial Review****Business review**Revenue*

For the financial year ended 31 March 2022 (the “FY2022”), the Group generated revenue of HK\$6.7 million, of which approximately HK\$4.6 million and HK\$2.1 million were derived from rental income from investment properties and sales of properties in the PRC respectively.

*Market and industry development and segment results*

The business strategy of the Group for its property development business is to develop quality residential estates for the upper to middle class domestic market.

*Property Development*

During the FY2022, the recognised sales revenue from sales of properties of the Group was HK\$2.1 million, representing a decrease of approximately 98% from HK\$124.7 million for the financial year ended 31 March 2021 (the “FY2021”), which corresponds to a decrease in the total GFA delivered in the Group. The property sales revenue of the Group for the FY2022 mainly came from the sale of inventory in developments completed in prior years, namely Anshan Coastal Xintiandi Project, Anshan Wisdom New City and Dalian Jianzhu Project.

*Property Investment*

During the FY2022, revenue from property rental of the Group slightly decreased to HK\$4.6 million from the FY2021's HK\$4.9 million. The decrease was primarily attributable to the decreased GFA for rental purpose.

*Loss Attributable to Owners of the Company*

For the FY2022, the Group recorded other income amounted to approximately HK\$96.0 million due to the interest expense recharged and other interest income. Also, the Group incurred HK\$1,184.5 million administrative expense, finance cost and other expenses and recorded a loss attributable to equity holders of the Company of approximately HK\$1,033.8 million, which was mainly due to revenue generated and other income could not cover the administrative and other expenses incurred.

*Financial resources and liquidity*

As at 31 March 2022, the Group's cash and bank balances amounted to approximately HK\$251.2 million (2021: HK\$176.3 million). As at 31 March 2022, the net borrowings of the Group, being interest-bearing bank and other borrowings less cash and bank balances and pledged bank deposits, amounted to approximately HK\$1,281.1 million (2021: HK\$2,457.4 million). Net debt to total equity ratio, which is expressed as a percentage of net borrowings over total equity of the Group, decreased by approximately 19% to 37% from the FY2021's 57%. The significant improvement was due to the repayment of a loan balance of approximately HK\$2,062 million during the FY2022.

*Foreign currency risk*

The Group's operations are located principally in the PRC and accordingly a majority part of its income and expenditure is denominated in RMB. The exchange rates of RMB against HK\$ and US\$ have been quite stable over the past years. Also, the Group's operations will not be unduly exposed to exchange rates fluctuations as all the major assets, mainly property development project, of the Group are located in the PRC and will generate RMB revenue to the Group. Except certain bank and other borrowings which are denominated in US\$ or HK\$, most of the Group's liabilities are denominated in RMB. Therefore, the Directors do not foresee that movement in the exchange rates of foreign currencies against RMB in the foreseeable future will cause a material adverse impact on the Group's operations. The Group does not have a foreign currency hedging policy. However, the management of the Group continuously monitors the Group's foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

*Charge on assets*

As at 31 March 2022, certain assets of the Group including land and buildings, investment properties, right-of-use assets, deposits for future acquisition of land use rights and bank deposits and financial assets at FVTOCI with aggregate carrying value of HK\$4,152.2 million (2021: HK\$3,685.5 million), corporate guarantee given by the Company and certain subsidiaries, personal guarantee given by a substantial shareholder of the Company and a guarantee dividend were pledged to secure the bank and other borrowings.

*Contingent liabilities*

As at 31 March 2022, the Group had no contingent liability (2021: nil).

*Capital structure*

As at 31 March 2022, the share capital of the Company comprised ordinary shares only.

*Employees and remuneration policy*

As at 31 March 2022, the Group had about 70 employees (2021: 85 employees) in the PRC and Hong Kong. The related employees' cost (including the Directors' remuneration and certain staff retrenchment costs) for the FY2022 amounted to approximately HK\$48.0 million (2021: HK\$57.5 million). Employees are remunerated based on their work performance, skills and experience, and prevailing industry practice. Apart from basic salary and performance related bonus, the Group also provides other benefits to its employees including mandatory provident fund, medical insurance coverage and housing allowances.

***B. Material Acquisitions and Disposals of Subsidiaries and Associates***

For the year ended 31 March 2022, the Group had no material acquisition or disposal of subsidiaries, associates and joint ventures.

***C. Significant Investments***

For the year ended 31 March 2022, the Group had no significant investments.

***D. Gearing Ratios***

The gearing ratio was arrived at by dividing the total borrowings by the total assets of the Group. As at 31 March 2022, the gearing ratio of the Group was approximately 21%.

***E. Liquidity Risk Management***

Ultimate responsibility for liquidity risk management rests with the Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate working capital and continuously monitoring forecast and actual cashflows.

The Group relies on bank and other borrowings as a significant source of liquidity. The Group manages the maturities profile of its bank and other borrowings by designating a team to closely monitor the funding requirement with lending covenants and its compliance and early negotiate with lenders for refinancing arrangement or seek for new sources of financing prior to maturity.

***F. Funding and Treasury Policies***

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

During the year ended 31 March 2022, the capital structure of the Group consists of net debt, which includes the bank and other borrowings, pledged bank deposits and cash and bank balances and are mainly denominated in RMB. As at 31 March 2022, the Group's total bank and other borrowings amounted to HK\$1,631.9 million, of which HK\$98.6 million was fixed rate borrowings and the remainder was variable rate borrowings.

The Group does not have a foreign currency hedging policy. However, the management of the Group continuously monitors the Group's foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The Directors review the capital structure periodically. As part of the review, the Directors consider the cost of capital and the risks associated with each class of capital. Based on the recommendations of the Directors, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as issue of new debt or the redemption of existing debt.

**For the year ended 31 March 2023**

**A. *Operational and Financial Review***

*Business review*

Revenue

For the financial year ended 31 March 2023 (the “FY2023”), the Group generated revenue of HK\$211.4 million, of which approximately HK\$4.3 million and HK\$207.1 million were derived from rental income from investment properties and sales of properties in the PRC respectively.

*Market and industry development and segment results*

The Group’s business strategy for its property development business is to develop quality residential estates for the upper to middle class domestic market.

*Property development*

During the FY2023, the recognised sales revenue from sales of properties of the Group was HK\$207.1 million, representing an increase of approximately 96.83% from HK\$2.1 million for FY2022, which corresponds to an increase in the total GFA delivered in the Group. The property sales revenue of the Group for the FY2023 mainly came from the sale of inventory in Jixi Silo City completed in prior years.

*Property investment*

During the FY2023, revenue from property rental of the Group slightly decreased to HK\$4.3 million from the FY2022’s HK\$4.6 million. The decrease was primarily attributable to the decreased GFA for rental purpose.

*Loss attributable to owners of the Company*

For the FY2023, the Group recorded other income amounted to approximately HK\$17.3 million due to the write-back of other payables and bank interest income. Also, the Group incurred HK\$443.4 million administrative expense, finance cost and other expenses and recorded a loss attributable to equity holders of the Company of approximately HK\$499.0 million, which was mainly due to revenue generated and other income could not cover the administrative and other expenses incurred.

*Financial resources and liquidity*

As at 31 March 2023, the Group's cash and bank balances amounted to approximately HK\$156.7 million (2022: HK\$251.2 million). As at 31 March 2023, the net borrowings of the Group, being interest-bearing bank and other borrowings less cash and bank balances and pledged bank deposits, amounted to approximately HK\$1,238.6 million (2022: HK\$1,281.1 million). Net debt to total equity ratio, which is expressed as a percentage of net borrowings over total equity of the Group, increased by approximately 8% to 45% from the FY2022's 37%. The significant improvement was due to only repayment of bank and other borrowings approximately HK\$207.5 million during the FY2023 while approximately HK\$2,062 million repayment of bank and other borrowings during FY2022.

*Foreign currency risk*

The Group's operations are located principally in the PRC and accordingly a majority part of its income and expenditure is denominated in RMB. The exchange rates of RMB against HK\$ and US\$ have been quite stable over the past years. Also, the Group's operations will not be unduly exposed to exchange rates fluctuations as all the major assets, mainly property development project, of the Group are located in the PRC and will generate RMB revenue to the Group. Except certain bank and other borrowings which are denominated in US\$ or HK\$, most of the Group's liabilities are denominated in RMB. Therefore, the Directors do not foresee that movement in the exchange rates of foreign currencies against RMB in the foreseeable future will cause a material adverse impact on the Group's operations. The Group does not have a foreign currency hedging policy. However, the management of the Group continuously monitors the Group's foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

*Charge on assets*

As at 31 March 2023, certain assets of the Group including land and buildings, investment properties, right of-use assets, deposits for future acquisition of land use rights and financial assets at FVTOCI with aggregate carrying value of HK\$3,910 million (2022: HK\$4,152.2 million), personal guarantee and assets given by a substantial shareholder of the Company and corporate guarantees given by the Company, certain subsidiaries and third parties were pledged to secure the bank and other borrowings.

*Contingent liabilities*

As at 31 March 2023, the Group had no contingent liability (2022: nil).



***Capital structure***

As at 31 March 2023, the share capital of the Company comprised ordinary shares only.

***Employees and remuneration policy***

As at 31 March 2023, the Group had approximately 41 employees (2022: 70 employees) in the PRC and Hong Kong. The related employees' cost (including the Directors' remuneration and certain staff retrenchment costs) for the FY2023 amounted to approximately HK\$35.8 million (2022: HK\$48.0 million). Employees are remunerated based on their work performance, skills and experience, and prevailing industry practice. Apart from basic salary and performance related bonus, the Group also provides other benefits to its employees including mandatory provident fund, medical insurance coverage and housing allowances.

***B. Material Acquisitions and Disposals of Subsidiaries and Associates***

On 2 December 2022, the Group entered into a supplemental agreement with Affluent Ocean and Zhuhai Coastal (the “**Supplemental Agreement**”), pursuant to which (a) the Company shall sell and Affluent Ocean shall acquire the 66.67% of the equity interest in Zhuhai Coastal at a consideration of RMB120,000,000 and to procure the assignment of the shareholder's loan granted by the Company to Zhuhai Coastal at a consideration of RMB760,000,000; (b) the aggregate consideration for the 66.67% of the equity interest in Zhuhai Coastal and such shareholder's loan shall be satisfied by Affluent Ocean by way of (a) transferring the entire equity interest in Shanghai Coastal Commercial Investment Management Company Limited\* (上海沿商投資管理有限公司) to the Company at a consideration of RMB350,000,000; (b) transferring the entire equity interest in Shenyang Zhongguang North Film and Television City Company Limited\* (瀋陽中廣北方影視城有限公司) to the Company at a consideration of RMB360,000,000; and (c) a payment in cash to the Company in the amount of RMB170,000,000. As at 31 March 2023, the transactions contemplated under the Supplemental Agreement were pending completion. Details of the transactions contemplated under the Supplemental Agreement are set out in the announcement of the Company dated 23 December 2022 and the circular of the Company dated 29 September 2023.

***C. Significant Investments***

For the year ended 31 March 2023, the Group had no significant investments.

***D. Gearing Ratios***

The gearing ratio was arrived at by dividing the total borrowings by the total assets of the Group. As at 31 March 2023, the gearing ratio of the Group was approximately 21%.

***E. Liquidity Risk Management***

Ultimate responsibility for liquidity risk management rests with the Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate working capital and continuously monitoring forecast and actual cashflows.

The Group relies on bank and other borrowings as a significant source of liquidity. The Group manages the maturities profile of its bank and other borrowings by designating a team to closely monitor the funding requirement with lending covenants and its compliance and early negotiate with lenders for refinancing arrangement or seek for new sources of financing prior to maturity.

***F. Funding and Treasury Policies***

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

During the year ended 31 March 2023, the capital structure of the Group consists of net debt, which includes the bank and other borrowings, pledged bank deposits and cash and bank balances and are mainly denominated in RMB. As at 31 March 2023, the Group's total bank and other borrowings amounted to HK\$1,396.2 million, of which HK\$79.9 million was fixed rate borrowings and the remainder was variable rate borrowings.

The Group does not have a foreign currency hedging policy. However, the management of the Group continuously monitors the Group's foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The Directors review the capital structure periodically. As part of the review, the Directors consider the cost of capital and the risks associated with each class of capital. Based on the recommendations of the Directors, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as issue of new debt or the redemption of existing debt.

**For the year ended 31 March 2024**

**A. *Operational and Financial Review***

*Business review*

Revenue

For the financial year ended 31 March 2024 (the “FY2024”), the Group generated revenue of HK\$4.2 million and approximately HK\$3.8 million and HK\$0.4 million were derived from rental income from investment properties and sales of properties in the PRC respectively.

*Market and industry development and segment results*

The Group’s business strategy for its property development business is to develop quality residential estates for the upper to middle class domestic market.

*Property development*

During the FY2024, the recognised sales revenue from sales of properties of the Group was HK\$0.4 million, representing a decrease of approximately 100% from HK\$207.1 million for FY2023, which corresponds to a decrease in the total GFA delivered in the Group. The property sales revenue of the Group for the FY2024 mainly came from the sale of inventory in developments completed in prior years, namely Dalian Jianzhu Project.

*Property investment*

During the FY2024, revenue from property rental of the Group slightly decreased to HK\$3.8 million from the FY2023’s HK\$4.3 million. The decrease was primarily attributable to the depreciation of Renminbi against Hong Kong dollars.

*Loss attributable to owners of the Company*

For the FY2024, the Group recorded other income amounted to approximately HK\$290.2 million due to the write-back of other payables and bank interest income. Also, the Group incurred HK\$114.7 million administrative expense, finance cost and other expenses and recorded a loss attributable to equity holders of the Company of approximately HK\$1,474.8 million, which was mainly due to revenue generated and other income could not cover the administrative and other expenses incurred.

*Financial resources and liquidity*

As at 31 March 2024, the Group's cash and bank balances amounted to approximately HK\$9.0 million (2023: HK\$156.7 million). As at 31 March 2024, the net borrowings of the Group, being interest-bearing bank and other borrowings less cash and bank balances and pledged bank deposits, amounted to approximately HK\$258.0 million (2023: HK\$1,238.6 million). Net debt to total equity ratio, which is expressed as a percentage of net borrowings over total equity of the Group, decreased by approximately 24% to 21% from the FY2023's 45%. The significant improvement was due to the repayment of bank and other borrowings of approximately HK\$232.6 million during the FY2024.

*Foreign currency risk*

The Group's operations are located principally in the PRC and accordingly a majority part of its income and expenditure is denominated in RMB. The exchange rates of RMB against HK\$ and US\$ have been quite stable over the past years. Also, the Group's operations will not be unduly exposed to exchange rates fluctuations as all the major assets, mainly property development project, of the Group are located in the PRC and will generate RMB revenue to the Group. Except certain bank and other borrowings which are denominated in US\$ or HK\$, most of the Group's liabilities are denominated in RMB. Therefore, the Directors do not foresee that movement in the exchange rates of foreign currencies against RMB in the foreseeable future will cause a material adverse impact on the Group's operations. The Group does not have a foreign currency hedging policy. However, the management of the Group continuously monitors the Group's foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

*Charge on assets*

As at 31 March 2024, certain assets of the Group including land and buildings, investment properties, right of-use assets, deposits for future acquisition of land use rights and financial assets at FVTOCI with aggregate carrying value of HK\$253.2 million (2023: HK\$3,910 million), personal guarantee and assets given by a substantial shareholder of the Company and corporate guarantees given by the Company, certain subsidiaries and third parties were pledged to secure the bank and other borrowings.

*Contingent liabilities*

As at 31 March 2024, the Group had no contingent liability (2023: nil).

*Capital structure*

As at 31 March 2024, the share capital of the Company comprised ordinary shares only.

*Employees and remuneration policy*

As at 31 March 2024, the Group had approximately 46 employees (2023: 41 employees) in the PRC and Hong Kong. The related employees' cost (including the Directors' remuneration and certain staff retrenchment costs) for the FY2024 amounted to approximately HK\$19.66 million (2023: HK\$35.8 million). Employees are remunerated based on their work performance, skills and experience, and prevailing industry practice. Apart from basic salary and performance related bonus, the Group also provides other benefits to its employees including mandatory provident fund, medical insurance coverage and housing allowances.

***B. Material Acquisitions and Disposals of Subsidiaries and Associates***

The completion of the transactions contemplated under the Supplemental Agreement dated 2 December 2022, whereby the Group has conditionally agreed to sell and the independent third party has conditionally agreed to acquire 66.67% equity interest in Zhuhai Coastal Greenland Real Estate Company Limited, at a consideration of RMB120,000,000 and procure the assignment of a shareholder's loan at a consideration of RMB760,000,000, took place during the year ended 31 March 2024. Details of the transactions contemplated under the Supplemental Agreement are set out in the announcement of the Company dated 23 December 2022 and the circular of the Company dated 29 September 2023.

***C. Significant Investments***

For the year ended 31 March 2024, the Group had no significant investments.

***D. Gearing Ratios***

The gearing ratio was arrived at by dividing the total borrowings by the total assets of the Group. As at 31 March 2024, the gearing ratio of the Group was approximately 16%.

***E. Liquidity Risk Management***

Ultimate responsibility for liquidity risk management rests with the Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate working capital and continuously monitoring forecast and actual cashflows. The Group relies on bank and other borrowings as a significant source of liquidity. The Group manages the maturities profile of its bank and other borrowings by designating a team to closely monitor the funding requirement with lending covenants and its compliance and early negotiate with lenders for refinancing arrangement or seek for new sources of financing prior to maturity.

***F. Funding and Treasury Policies***

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

During the year ended 31 March 2024, the capital structure of the Group consists of net debt, which includes the bank and other borrowings, pledged bank deposits and cash and bank balances and are mainly denominated in RMB. As at 31 March 2024, the Group's total bank and other borrowings amounted to HK\$267.1 million, of which HK\$172.1 million was fixed rate borrowings and the remainder was variable rate borrowings.

The Group does not have a foreign currency hedging policy. However, the management of the Group continuously monitors the Group's foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The Directors review the capital structure periodically. As part of the review, the Directors consider the cost of capital and the risks associated with each class of capital. Based on the recommendations of the Directors, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as issue of new debt or the redemption of existing debt.

**For the six months ended 30 September 2024*****A. Operational and Financial Review****Business review**Revenue*

For the six months ended 30 September 2024 (the "6M2024"), the Group generated revenue of HK\$1.6 million and were entirely derived from rental income from investment properties in the PRC.

*Market and industry development and segment results*

The Group's business strategy for its property development business is to develop quality residential estates for the upper to middle class domestic market.

*Property development*

During the 6M2024, the recognised sales revenue from sales of properties of the Group was HK\$nil, representing a decrease from HK\$0.1 million for the six months ended 30 September 2023 (the "6M2023"), which corresponds to a decrease in the total GFA delivered in the Group.

*Property investment*

During the 6M2024, revenue from property rental of the Group slightly decreased to HK\$1.6 million from the 6M2023's HK\$1.9 million. The decrease was primarily attributable to the depreciation of Renminbi against Hong Kong dollars.

*Loss attributable to owners of the Company*

For the 6M2024, the Group recorded other income amounted to approximately HK\$4.1 million due to dividend income from financial assets at FVTOCI and bank interest income. Also, the Group incurred HK\$109.9 million administrative expense, finance cost and other expenses and recorded a loss attributable to equity holders of the Company of approximately HK\$106.3 million, which was mainly due to revenue generated and other income could not cover the administrative and other expenses incurred.

*Financial resources and liquidity*

As at 30 September 2024, the Group's cash and bank balances amounted to approximately HK\$2.7 million (31 March 2024: HK\$9.0 million). As at 30 September 2024, the net borrowings of the Group, being interest-bearing bank and other borrowings less cash and bank balances and pledged bank deposits, amounted to approximately HK\$241.7 million (31 March 2024: HK\$258.0 million). Net debt to total equity ratio, which is expressed as a percentage of net borrowings over total equity of the Group, decreased by approximately 1% to 20% from the FY2024's 21%. The significant improvement was due to the repayment of bank and other borrowings of approximately HK\$105 million during the FY2024.

*Foreign currency risk*

The Group's operations are located principally in the PRC and accordingly a majority part of its income and expenditure is denominated in RMB. The exchange rates of RMB against HK\$ and US\$ have been quite stable over the past years. Also, the Group's operations will not be unduly exposed to exchange rates fluctuations as all the major assets, mainly property development project, of the Group are located in the PRC and will generate RMB revenue to the Group. Except certain bank and other borrowings which are denominated in US\$ or HK\$, most of the Group's liabilities are denominated in RMB. Therefore, the Directors do not foresee that movement in the exchange rates of foreign currencies against RMB in the foreseeable future will cause a material adverse impact on the Group's operations. The Group does not have a foreign currency hedging policy. However, the management of the Group continuously monitors the Group's foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

*Charge on assets*

As at 30 September 2024, certain assets of the Group including land and buildings, investment properties, right of-use assets, deposits for future acquisition of land use rights and financial assets at FVTOCI with aggregate carrying value of HK\$252.5 million (31 March 2024: HK\$253.2 million), personal guarantee and assets given by a substantial shareholder of the Company and corporate guarantees given by the Company, certain subsidiaries and third parties were pledged to secure the bank and other borrowings.

*Contingent liabilities*

As at 30 September 2024, the Group had no contingent liability (31 March 2024: nil).

*Capital structure*

As at 30 September 2024, the share capital of the Company comprised ordinary shares only.

*Employees and remuneration policy*

As at 30 September 2024, the Group had approximately 82 employees (6M2023: 40 employees) in the PRC and Hong Kong. The related employees' cost (including the Directors' remuneration and certain staff retrenchment costs) for the 6M2024 amounted to approximately HK\$12.1 million (6M2023: HK\$10.3 million). Employees are remunerated based on their work performance, skills and experience, and prevailing industry practice. Apart from basic salary and performance related bonus, the Group also provides other benefits to its employees including mandatory provident fund, medical insurance coverage and housing allowances.

**B. Material Acquisitions and Disposals of Subsidiaries and Associates**

On 27 March 2024 (after trading hours of the Stock Exchange), Profit Making Global Investments Limited, being a wholly-owned subsidiary of the Company, being the vendor and Mr. Leung Hiu Tung, being the purchaser, entered into the share transfer agreement (the “**Share Transfer Agreement**”), pursuant to which Profit Making Global Investments Limited has conditionally agreed to sell and Mr. Leung Hiu Tung has conditionally agreed to acquire one issued share in Asiafame Development Limited, representing the total number of issued shares of Asiafame Development Limited, at the aggregate consideration of HK\$10,000. The completion took place on 15 August 2024. Details of the transactions contemplated under the Share Transfer Agreement are set out in the announcement of the Company dated 18 April 2024 and the circular of the Company dated 26 July 2024.

**C. Significant Investments**

For the year ended 30 September 2024, the Group had no significant investments.



***D. Gearing Ratios***

The gearing ratio was arrived at by dividing the total borrowings by the total assets of the Group. As at 30 September 2024, the gearing ratio of the Group was approximately 14%.

***E. Liquidity Risk Management***

Ultimate responsibility for liquidity risk management rests with the Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate working capital and continuously monitoring forecast and actual cashflows. The Group relies on bank and other borrowings as a significant source of liquidity. The Group manages the maturities profile of its bank and other borrowings by designating a team to closely monitor the funding requirement with lending covenants and its compliance and early negotiate with lenders for refinancing arrangement or seek for new sources of financing prior to maturity.

***F. Funding and Treasury Policies***

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

During the year ended 30 September 2024, the capital structure of the Group consists of net debt, which includes the bank and other borrowings, pledged bank deposits and cash and bank balances and are mainly denominated in RMB. As at 30 September 2024, the Group's total bank and other borrowings amounted to HK\$244.5 million, of which HK\$158.9 million was fixed rate borrowings and the remainder was variable rate borrowings.

The Group does not have a foreign currency hedging policy. However, the management of the Group continuously monitors the Group's foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The Directors review the capital structure periodically. As part of the review, the Directors consider the cost of capital and the risks associated with each class of capital. Based on the recommendations of the Directors, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as issue of new debt or the redemption of existing debt.

***G. Future Plan for Material Investments or Capital Assets***

As at the Latest Practicable Date, the Group has no plan for material investments or capital assets.

*The following is the text of a letter and valuation report prepared for the purpose of incorporation in this circular received from Cushman & Wakefield Limited, an independent property valuer, in connection with its opinion of value of Resumed Land as at 31 December 2024.*



27/F  
One Island East  
Taikoo Place  
18 Westlands Road  
Quarry Bay  
Hong Kong

14 February 2025

The Directors  
Coastal Greenland Limited  
Unit Nos. 1712 to 1716 on 17/F  
China Merchants Tower  
Shun Tak Centre  
168-200 Connaught Road Central  
Sheung Wan  
Hong Kong

Dear Sirs,

**Re: A Parcel of Land located in Longwangmiao Village, Youyi Street Sub-District, Jinzhou District, Dalian, Liaoning Province, the People's Republic of China**  
中國遼寧省大連市金州區友誼街道龍王廟村的一幅土地

#### **INSTRUCTIONS, PURPOSE AND VALUATION DATE**

In accordance with the instructions by Coastal Greenland Limited (referred to as the “**Company**”) and its subsidiaries (together referred to as the “**Group**”) for us to value the captioned property in the People's Republic of China (the “**PRC**”) (as more particularly described in the valuation report) (the “**Property**”), we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property as at 31 December 2024 (the “**Valuation Date**”).

**DEFINITION OF MARKET VALUE**

Our valuation of the Property represents its market value which in accordance with the HKIS Valuation Standards 2024 published by the Hong Kong Institute of Surveyors (the “HKIS”) is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

**VALUATION BASIS AND ASSUMPTIONS**

Our valuation excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

In valuing the Property, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities published by The Stock Exchange of the Hong Kong Limited, and the HKIS Valuation Standards 2024 published by the HKIS.

In the course of our valuation of the Property in the PRC, we have relied on the information and advice given by the Group and its legal adviser, Jia Yuan Law Offices (嘉源律師事務所) regarding the title of the Property. We have prepared our valuation on the basis that the owner of the Property has an enforceable title to the Property and has free and uninterrupted rights to use, occupy or assign the Property for the whole of the unexpired land use term as granted.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of any onerous nature which could affect its value.

In respect of the Property situated in the PRC, the status of title and grant of major certificates, approvals and licences, in accordance with the information provided by the Group are set out in the notes of the valuation report.

**METHOD OF VALUATION**

In valuing the Property in the PRC, we have adopted the market comparison method by making reference to comparable sales evidence as available in the relevant market.

Market comparison method is the best method for property valuation in theory because it is a market-driven method showing what price levels that the buyers are likely to pay for properties in the market. However, this method has limitation for application especially in the event that relevant property transactions are few and the nature of properties are not uniform. Market comparison method is a method of valuation based on comparing the property to be assessed directly with other comparable properties which recently changed hands. These properties are generally located in the surrounding areas or in another market which are comparable to the Property. However, because of the heterogeneous nature of properties, appropriate adjustments are usually required to allow for any qualitative and quantitative differences that may affect the price likely to be achieved by the property under consideration. There are sufficient transactions in the relevant market and market comparison method is a suitable method for valuing the Property.

### **SOURCE OF INFORMATION**

In the course of our valuation, we have relied to a very considerable extent on the information given to us by the Group regarding the title of the Property. We have accepted advice given by the Group on such matters as planning approvals or statutory notices, easements, tenure, identification of land and buildings, particulars of occupancy, site and floor areas, and all other relevant matters.

Dimensions, measurements and areas included in the valuation report are based on information provided to us and are therefore only approximations. We have had no reason to doubt the truth and accuracy of the information provided to us which is material to the valuation. We were also advised by the Group that no material facts have been omitted from the information provided.

### **TITLE INVESTIGATION**

We have been provided with extracts of documents relating to the title of the Property in the PRC but no searches have been made. We have not searched the original documents to verify ownership or to ascertain any amendment which may not appear on the copies handed to us. We are also unable to ascertain the title of the Property in the PRC and we have therefore relied on the advice given by the Group and the PRC legal opinion prepared by the Group's legal adviser regarding the Property.

**SITE INSPECTION**

Our valuer inspected the exterior of the Property. No structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are, however, not able to report that the Property is free of rot, infestation or any other structural defects. No tests were carried out to any of the services. Moreover, we have not carried out investigations on site to determine the suitability of the soil conditions and the services etc. for any future development. Our valuation is prepared on the assumption that these aspects are satisfactory and that no unexpected costs or delays will be incurred during the construction period. Unless otherwise stated, we have not been able to carry out on-site measurements to verify the site and floor areas of the Property and we have assumed that the areas shown on the documents handed to us are correct.

Name of valuer	Position	Experience	Qualification	Date of inspection
		in property valuation (years)		
Mr. Guangyi Zhang (張廣毅)	Senior valuer	12	Registered China Real Estate Appraiser	16 January 2025

**CURRENCY**

Unless otherwise stated, all monetary sums stated in our valuation are in Renminbi (“RMB”), the official currency of the PRC.

We enclose herewith our valuation report.

Yours faithfully,  
for and on behalf of  
**Cushman & Wakefield Limited**  
**Grace Lam**  
**MRICS, MHKIS, R.P.S. (GP)**  
*Senior Director*  
*Valuation & Advisory Services*

*Note: Ms. Grace Lam is a Member of the Royal Institution of Chartered Surveyors, a Member of the Hong Kong Institute of Surveyors and a Registered Professional Surveyor (General Practice). Ms. Lam has over 30 years of experience in the professional property valuation and advisory services in the Greater China region and various overseas countries. Ms. Lam has sufficient current knowledge of the market, and the skills and understanding to undertake the valuation competently.*

## VALUATION REPORT

## Property held by the Group for future development in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 December 2024
A parcel of land located in Longwangmiao Village, Youyi Street Sub-District, Jinzhou District, Dalian, Liaoning Province, the PRC 中國遼寧省 大連市金州區 友誼街道 龍王廟村的一幅土地	<p>The Property comprises a parcel of land with a site area of 246,091.00 sq. m.</p> <p>The immediate locality of the Property is a sub-urban area in Dalian predominated by villages and hills with communal facilities.</p> <p>As advised by the Group, a proposed sanitarium will be developed on the Property with a total planned gross floor area of approximately 123,045.50 sq. m.</p> <p>The Property is held with land use rights for a term due to expire on 17 February 2055 for medical use.</p>	As at the Valuation Date, the Property was bare land.	RMB132,000,000  (RENMINBI ONE HUNDRED THIRTY TWO MILLION ONLY)

## Notes:

- (1) According to State-owned Land Use Rights Certificate No. (2005) 0621003 issued by 大連市金州區人民政府 (the People's Government of Jinzhou District, Dalian) on 27 February 2005, the land use rights of the Property located in Longwangmiao Village, Youyi Street Sub-District, Jinzhou District, Dalian with a site area of 246,091.00 sq. m. have been vested in 大連金日君健樂園 (Dalian Jinrijunjian Paradise) for a term due to expire on 17 February 2055 for medical use.
- (2) According to Grant Contract of State-owned Land Use Rights No. 2005-027 entered into between 遼寧省大連市金州區規劃和國土資源局 (Jinzhou District Planning and Land Resources Bureau, Dalian City, Liaoning Province) (the “Grantor”) and 大連金日君健樂園 (Dalian Jinrijunjian Paradise) (the “Grantee”) on 18 February 2005, the Grantor has granted the land use rights of the Property to the Grantee with particulars as follows:–

Location	:	Longwangmiao Village, Youyi Street Sub-District, Jinzhou District (金州區友誼街道龍王廟村)
Granted site area	:	246,091.00 sq. m.
Plot ratio	:	0.50
Use	:	Sanitarium (療養院)
Land Use Term	:	50 years
Land Premium	:	RMB1,968,728

- (3) According to Business Licence No. 91210213759931660R dated 28 November 2017, 大連金日君健樂園 (Dalian Jinrijunjian Paradise) was established on 18 February 2005.
- (4) We have been provided with a legal opinion issued by the Group's PRC legal adviser, which contains, *inter alia*, the following information:
- (a) The State-owned Land Use Rights Certificate of the Property is valid, legal and enforceable under the PRC laws;
- (b) 大連金日君健樂園 (Dalian Jinrijunjian Paradise) is the legal land user of the Property and has obtained the State-owned Land Use Rights Certificate of the Property; and
- (c) 大連金日君健樂園 (Dalian Jinrijunjian Paradise) has the right to freely use, lease, transfer and dispose of the real estate title of the Property.
- (5) The status of title and grant of major approvals and licences in accordance with the information provided by the Group are as follows:

State-owned Land Use Rights Certificate	Yes
Grant Contract of State-owned Land Use Rights	Yes
Business Licence	Yes

- (6) In valuing the Property, we have adopted the market comparison method by making reference to comparable land sales evidence as available in the relevant market.

We have made reference to various land sale transactions within the same district. The unit price on site area levels of those land sale transactions range from approximately RMB545 per sq. m. to RMB705 per sq. m.

The details of the exhaustive list of the land sale evidence gathered are tabulated below:

	Comparable no. 1	Comparable no. 2	Comparable no. 3
District	Jinzhou District	Jinzhou District	Jinzhou District
Address	臨港工業區南10號路 (South Road No. 10 in Harbour Industrial Area)	鑄造園6-1號 (Casting area Nos. 6-1)	金石灘街道 (Jinshitan Sub-district)
Land use	Science research	Education	Education
Date of transaction	31 March 2023	12 May 2023	30 October 2024
Transaction price	RMB25,980,000	RMB22,530,000	RMB63,850,000
Site area	39,868.40 sq. m.	41,329.00 sq. m.	90,564.00 sq. m.
Unit price on site area	RMB652 per sq. m.	RMB545 per sq. m.	RMB705 per sq. m.

In arriving at the key assumptions, appropriate adjustments and analysis are considered to reflect the differences in several aspects including but not limited to location, size, floor and other physical characteristics between the Property and the comparable properties. The general basis of adjustment is that if the Property is better than the comparable properties, an upward adjustment is made. Alternatively, if the Property is inferior or less desirable than the comparable properties, a downward adjustment is made.

The adjustments made to arrive at our valuation are as follows:

In terms of size, the site area of the Property is much larger than that of the three comparables. Usually, a property with larger size can fetch a lesser unit price. Downward adjustment hence was applied to the unit price on site area of the three comparables.

<b>Comparable no.</b>	<b>Adjustment factor</b>	<b>Adjustment made</b>
Comparable no. 1	Size of site area	-20%
Comparable no. 2	Size of site area	-16%
Comparable no. 3	Size of site area	-10%

We have assigned equal weighting to the three comparables after due adjustments. As a result, we have adopted an average unit rate of approximately RMB537 per sq. m. on site area for the Property.

By adopting this unit rate (RMB537 per sq. m.) and multiplying the site area of the Property (246,091 sq. m), our opinion of the market value of the Property was approximately RMB132,000,000.



## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN THE COMPANY

### Directors' interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of the Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

#### (i) *Interests and short positions in shares and underlying shares of the Company*

Name of Director	Note	Beneficial owner	Number of shares held or underlying shares, capacity and nature of interest		Percentage of the Company's issued share capital
			Interest in controlled corporation		
Mr. Jiang Ming	(a)	–	153,126,197 (L)		36.93%
Mr. Lin Chen Hsin	(a)	372,000 (L)	153,126,197 (L)		37.02%
Ms. Tong Xinhua		504,000 (L)	–		0.12%

*L: Long position*

*Note:*

- (a) 153,126,197 Shares are beneficially owned by Coastal International Holdings Limited ("CIH"), of which the issued voting share capital is held as to 59.14% by Mr. Jiang Ming, 3.30% by Mr. Lin Chen Hsin and 21.42% by Great Scope Investments Limited (the entire issued voting share capital of which is held by Mr. Jiang Ming). These 153,126,197 shares represent an aggregate of approximately 36.93% of the issued share capital of the Company. Mr. Jiang Ming and Mr. Lin Chen Hsin are directors of CIH.

On 21 November 2024, CIH as the chargor executed a share charge over the 153,126,197 Shares held by it in favour of Salubrious Group Limited (“**Salubrious**”) as the chargee as security for a facility agreement dated 21 November 2024 and entered into, among others, CIH and Salubrious in relation to a HK\$7,000,000 term loan facility to CIH (the “**Facility**”). As such, under the SFO, Salubrious and its beneficial owners are taken to have a security interest in the 153,126,197 Shares held by CIH.

**(ii) Interests in shares of the associated corporation of the Company**

Name of Director	Note	Beneficial owner	Number of shares held, capacity and nature of interest		Percentage of the Company's issued share capital
			Interest in controlled corporation	Interest in controlled corporation	
Mr. Jiang Ming	(a)	5,914 (L)			59.14% of CIH
			2,142 (L)		21.42% of CIH
Mr. Lin Chen Hsin	(a)	330 (L)		–	3.30% of CIH

*L: Long position*

*Note:*

- (a) On 21 November 2024, Mr. Jiang Ming and Mr. Lin Chen Hsin, among others, as chargors executed a share charge over their respective shares held in the associated corporation of the Company, namely, CIH, in favour of Salubrious as the chargee as security for the Facility. As such, under the SFO, Salubrious and its beneficial owners are taken to have a security interest in the respective shares held by Mr. Jiang Ming and Mr. Lin Chen Hsin in CIH.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) where were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors is a director or employee of a company which had, or was deemed to have, an interest or short position in the shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

**3. COMPETING INTEREST**

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or their respective associates had any interest in a business which competes or may compete, either directly or indirectly, with the business of the Group, or have or may have any other conflicts of interest with the Group.

**4. DIRECTORS' SERVICE CONTRACTS**

None of the Directors had entered or been proposed to enter into any service contract with the Company or any other member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation) as at the Latest Practicable Date.

**5. INTEREST OF DIRECTORS OR EXPERTS IN ASSETS/CONTRACTS AND OTHER INTERESTS**

As at the Latest Practicable Date, (a) none of the Directors were materially interested in any contract or arrangement entered into by any member of the Group which was subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group, (b) save as disclosed in this circular, none of the Directors or expert named in the section headed "7. Expert and Consent" in this appendix had any interest, directly or indirectly, in any assets which have been, since 31 March 2024 (being the date to which the latest published audited consolidated accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

**6. MATERIAL CONTRACTS**

The following contract (not being contract entered into in the ordinary course of business) have been entered into by the members of the Group within the two years immediately preceding the date of this circular and are or may be material:

- (i) the share transfer agreement dated 27 March 2024 and entered into between Profit Making Global Investments Limited as the vendor and Mr. Leung Hiu Tung as the purchaser, pursuant to which Profit Making Global Investments Limited has conditionally agreed to sell, and Mr. Leung Hiu Tung has agreed to acquire one issued share in Asiafame Development Limited, representing the total number of issued shares of Asiafame Development Limited, at the aggregate consideration of HK\$10,000; and
- (ii) the Land Resumption Agreement.

## **7. EXPERT AND CONSENT**

The following is the qualification of the expert or professional adviser who has given opinions or advices contained in this circular (the “**Expert**”):

<b>Name</b>	<b>Qualification</b>
Cushman & Wakefield Limited	Independent Professional Valuer

As at the Latest Practicable Date, the Expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which it appears.

As at the Latest Practicable Date, the Expert did not have any shareholding in any member of the Group upon Completion or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group upon Completion.

As at the Latest Practicable Date, the Expert was not interested, directly or indirectly, in any assets which have been or are proposed to be acquired or disposed of by or leased to any member of the Group upon Completion since 31 March 2024, the date to which the latest audited financial statements of the Company were made up.

## **8. LITIGATION**

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries were engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

## **9. GENERAL**

- (a) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.
- (b) The principal place of business in Hong Kong of the Company is situated at Suite 1712-16, 17th Floor, China Merchants Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong.
- (c) The branch share registrar and the transfer office of the Company in Hong Kong is Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (d) The company secretary of the Company is Mr. Cheng Wing Bor, who is a member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants, United Kingdom.

- (e) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text thereof.

#### **10. DOCUMENTS AVAILABLE ON DISPLAY**

Copies of the following documents will be published on the websites of the Company ([www.coastal.com.cn](http://www.coastal.com.cn)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) between the period of not less than 14 days from the date of this circular up to and including the date of the SGM:

- (a) the letter of consent referred to under the paragraph headed “Expert and Consent” in this appendix;
- (b) the material contracts referred to in the paragraph headed “Material Contracts” in this appendix; and
- (c) the valuation report on the Resumed Land, the text of which is set out in Appendix II to this circular.

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## NOTICE OF SGM

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**COASTAL** 沿海  
**COASTAL GREENLAND LIMITED**  
**沿海綠色家園有限公司\***  
*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 1124)**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**Meeting**”) of Coastal Greenland Limited (the “**Company**”) will be held at 2/F, 35-45B Bonham Strand, Sheung Wan, Hong Kong on Thursday, 6 March 2025 at 2:30 p.m. for the purpose of considering and, if thought fit, passing the following resolution as ordinary resolution of the Company (unless otherwise indicated, capitalised terms used in this notice have the same meanings as those defined in the circular of the Company dated 14 February 2025 (the “**Circular**”)):

### ORDINARY RESOLUTION

1. “**THAT**

- a. the Land Resumption Agreement dated 23 December 2024 (as supplemented and amended by the supplemental agreement dated 10 January 2025) (a copy of which is produced to the Meeting marked “A” and signed by the chairman of the Meeting for the purpose of identification) and entered into between Dalian Jinpu New District Natural Resources Bureau\* (大連金普新區自然資源局) and Dalian Jinrijunjian Paradise\* (大連金日君健樂園), in relation to, among other things, the resumption of 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., and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- b. the Directors be and are hereby authorised for and on behalf of the Company and in its name to execute all such documents, instruments and agreements and do all such acts, matters and things as they may in their absolute discretion consider necessary, desirable or expedient for the purposes of or in connection with implementing, completing and giving effect to the Land Resumption Agreement and the transactions contemplated thereunder and to agree to such variations of the terms of the Land Resumption Agreement as they may in their absolute discretion consider necessary or desirable and all such acts and things the Directors have done, all such documents the Directors have executed, and all such steps the Directors have taken are hereby approved, confirmed and ratified.”

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

Hong Kong, 14 February 2025

\* For identification purpose only

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## NOTICE OF SGM

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*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

*Principal place of business  
in Hong Kong:*

Suite 1712-16, 17th Floor  
China Merchants Tower  
Shun Tak Centre  
200 Connaught Road Central  
Hong Kong

*Notes:*

1. A member entitled to attend and vote at the SGM is entitled to appoint one or more proxy or proxies to attend and, subject to the provisions of the bye-laws of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the SGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. In order to be valid, you are requested to complete and return the accompanying proxy form to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not later than Tuesday, 4 March 2025 at 2:30 p.m. (Hong Kong time). Completion and return of a form of proxy will not preclude a member from attending in person or online (if applicable) and voting at the SGM or any adjournment thereof, should he so wish, but in such event, the instrument appointing a proxy shall be deemed to be revoked.
3. In the case of joint holders of shares of the Company, any one of such holders may vote at the SGM, either personally or by proxy, in respect of such shares as if he was solely entitled thereto, but if more than one of such joint holders are present at the SGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
4. The register of members of the Company will be closed from Monday, 3 March 2025 to Thursday, 6 March 2025 (both days inclusive), during which period no transfer of shares will be effected in order to determining the entitlement of the shareholders of the Company to attend and vote at the SGM. All transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:00 p.m. on Friday, 28 February 2025.
5. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning signal or "extreme conditions after super typhoons" is/are in force at any time after 8:30 a.m. on the date of the SGM, the meeting will be postponed. The Company will publish an announcement on the website of the Company at <http://www.coastal.com.cn/> and on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) to notify Shareholders of the date, time and venue of the rescheduled meeting.