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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) PROPOSED OPEN OFFER ON THE BASIS OF
ONE OPEN OFFER SHARE FOR
EVERY TWO SHARES HELD ON THE RECORD DATE**
**(2) POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER FOR
THE SHARES AND**
(3) RESUMPTION OF TRADING

Financial adviser to the Company



大有融資有限公司
MESSIS CAPITAL LIMITED

Underwriter of the Open Offer

Coastal International Holdings Limited

PROPOSED OPEN OFFER

The Board proposes to raise approximately HK\$348.8 million, before expenses, by issuing 1,395,291,428 Open Offer Shares at a price of HK\$0.25 per Open Offer Share by way of Open Offer on the basis of one Open Offer Share for every two existing Shares held on the Record Date and payable in full upon acceptance.

The Open Offer is only available to the Qualifying Shareholders. To qualify for the Open Offer, all transfers of Shares must be lodged for registration with the Registrar by 4:30 p.m. on 11 February 2014 and the Shareholders must not be Prohibited Shareholders. The register of members of the Company will be closed from 12 February 2014 to 18 February 2014, both dates inclusive, to determine the eligibility of the Shareholders to the Open Offer.

* For identification purpose only

Pursuant to the Underwriting Agreement, the Underwriter has conditionally agreed to subscribe or procure subscribers to subscribe for all the Open Offer Shares which have not been taken up. Accordingly, the Open Offer is fully underwritten.

The estimated net proceeds from the Open Offer will be approximately HK\$340.8 million. It is presently intended that the net proceeds will be applied as general working capital of the Group.

WARNING OF THE RISK OF DEALING IN THE SHARES

The Shareholders and potential investors of the Company should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the paragraph headed “Termination of the Underwriting Agreement” below). Accordingly, the Open Offer may or may not proceed.

The Shareholders and potential investors of the Company should therefore exercise extreme caution when dealing in the Shares, and if they are in any doubt about their positions, they should consult their professional advisers.

The Shareholders should note that the Shares will be dealt in on an ex-entitlement basis commencing from 10 February 2014 and that dealings in Shares will take place while the conditions that the Underwriting Agreement is subject to remain unfulfilled. Any Shareholder or other person dealing in the Shares up to the date on which all conditions that the Open Offer is subject to are fulfilled (which is expected to be on 10 March 2014) will accordingly bear the risk that the Open Offer may not become unconditional and may not proceed.

POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER

As at the date of this announcement, the Underwriter is interested in 1,020,841,319 Shares, representing approximately 36.58% of the issued share capital of the Company.

If, as a result of taking up any Open Offer Shares by the Underwriter under the underwriting commitment pursuant to the Underwriting Agreement, the Underwriter acquires additional voting rights and such acquisition has the effect of increasing its holding by more than 2% from its lowest percentage holding in the 12-month period ending on and inclusive of the date of the relevant acquisition, the Underwriter will be required to make a general offer under the Takeovers Code unless otherwise waived by the Executive. The lowest percentage held by the Underwriter in the 12 months prior to and including the date of this announcement is 36.58%.

In the event that an obligation to make the General Offer is triggered, CCB International Capital Limited will, on behalf of the Potential Offeror, make a mandatory cash offer in accordance with Rule 26 of the Takeovers Code to acquire all the issued Shares other than those already owned or agreed to be acquired by the Potential Offeror.

The General Offer is a possibility only. The possible obligation of the Potential Offeror to make the General Offer in accordance with Rule 26 of the Takeovers Code may only arise after completion of the Open Offer. The Open Offer is conditional on the Underwriting Agreement becoming unconditional and the Underwriting Agreement not being terminated by the Latest Time for Termination.

GENERAL

An independent board committee of the Company which comprises all non-executive Directors will be formed to advise the Independent Shareholders on the General Offer and the Company will appoint an independent financial adviser to advise the independent board committee of the Company regarding the General Offer if the Potential Offeror's obligation to make the General Offer is triggered upon the close of the Open Offer. Details of the appointment will be announced in due course.

RESUMPTION OF TRADING

At the request of the Company, trading in Shares on the Stock Exchange was halted from 1:00 p.m. on 17 January 2014 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in Shares on the Stock Exchange with effect from 9:00 a.m. on 27 January 2014.

PROPOSED OPEN OFFER

On 17 January 2014, the Company entered into the Underwriting Agreement with the Underwriter in respect of the Open Offer and further details of the Open Offer are set out below:

Issue statistics

Basis of the Open Offer	:	One Open Offer Share for every two Shares held on the Record Date
Number of Shares in issue as at the date of this announcement	:	2,790,582,857 Shares
Number of Open Offer Shares	:	1,395,291,428 Open Offer Shares
Subscription Price	:	HK\$0.25 for each Open Offer Share

The number of Open Offer Shares to be issued represents approximately 50% of the existing issued share capital of the Company and approximately 33.33% of the issued share capital of the Company as enlarged by the issue of the Open Offer Shares. As at the date of this announcement, there are no outstanding option, warrant, derivative or other convertible securities which may confer any right to the holder thereof to subscribe for, convert or exchange into Shares.

The Open Offer shall not be subject to any Shareholders' approval. Pursuant to the Underwriting Agreement, the Company has undertaken that it shall not issue any Shares or issue or grant any share options or other securities which carry rights to acquire Shares (other than the Open Offer Shares) from the date of the Underwriting Agreement until after the Latest Time for Acceptance.

Qualifying Shareholders

The Open Offer is only available to the Qualifying Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders only.

To qualify for the Open Offer, a Shareholder must at the close of business on the Record Date: (a) be registered as a member of the Company; and (b) not be a Prohibited Shareholder.

In order to be registered as members of the Company on the Record Date, persons beneficially interested in Shares must lodge the relevant transfer of Shares (with the relevant share certificates) for registration with the Registrar, Tricor Tengis Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong by 4:30 p.m. on 11 February 2014.

Closure of register of members

The register of members of the Company will be closed from 12 February 2014 to 18 February 2014, both dates inclusive, to determine the eligibility of the Shareholders to the Open Offer. No transfer of Shares will be registered during this period.

Subscription Price

The Subscription Price of HK\$0.25 per Open Offer Share will be payable in full upon acceptance. The Subscription Price represents:

- (a) a discount of approximately 19.4% to the closing price of HK\$0.310 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (b) a discount of approximately 19.4% to the average closing price of approximately HK\$0.310 per Share for the previous five consecutive trading days as quoted on the Stock Exchange up to and including the Last Trading Date;
- (c) a discount of approximately 22.4% to the average closing price of approximately HK\$0.322 per Share for the previous ten consecutive trading days as quoted on the Stock Exchange up to and including the Last Trading Date;
- (d) a discount of approximately 84.8% to the consolidated net asset value per Share of approximately HK\$1.646 (calculated by dividing the unaudited consolidated net asset value of the Group as at 30 September 2013 as shown in the interim report of the Company for the six months ended 30 September 2013 by 2,790,582,857 Shares in issue as at the date of this announcement); and
- (e) a discount of approximately 13.8% to the theoretical ex-entitlement price of approximately HK\$0.290 per Share based on the closing price per Share as quoted on the Stock Exchange on the Last Trading Date.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Underwriter and after having taken into account (i) the recent price performance of the Shares; (ii) the financial position of the Group; and (iii) the discount of the Open Offer Price to the recent market prices of the Shares. The Directors consider that the terms of the Open Offer are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Application for Open Offer Shares in excess of assured allotments

Qualifying Shareholders will have the right to apply for any Open Offer Shares in excess of their own assured allotments under the application forms in relation to the Open Offer but are not assured of being allocated any Shares in excess of those in their assured allotments.

The Company will allocate the Open Offer Shares in excess of assured allotments at their discretion on a fair and equitable basis, on a pro-rata basis to the excess Open Offer Shares applied for by the Qualifying Shareholders. The basis of allocation of such excess Open Offer Shares will be disclosed in the Prospectus. However, no preference will be given to topping-up odd lots to whole board lots. Shareholders who have been offered odd lots of the Open Offer Shares should note that there is no guarantee that such odd lots of the Open Offer Shares will be topped up to create whole board lots pursuant to applications for excess Open Offer Shares. Any Open Offer Shares not applied for by the Qualifying Shareholders will be taken up by the Underwriter.

The Shareholders with their Shares held by a nominee company should note that the Board will regard the nominee as a single shareholder according to the register of members of the Company. Shareholders should note that the number of excess Open Offer Shares which may be allocated to them may be different where they make applications for excess Open Offer Shares by different means, such as making applications in their own names as against through nominees who also hold Shares for other Shareholders. Shareholders should consult their professional advisers if they are in any doubt as to whether they should register their shareholding in their own names prior to the relevant book close period and apply for the excess Open Offer Shares themselves.

Status of the Open Offer Shares

The Open Offer Shares (when fully paid and issued) will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Open Offer Shares. Holders of the Open Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Open Offer Shares.

Fractions of the Open Offer Shares

Entitlement to the Offer Shares will be rounded down to the nearest whole number. No fractional entitlements to the Offer Shares will be allotted to the Qualifying Shareholders. All such fractional entitlements will be aggregated and taken up by the Underwriter in accordance with the terms and conditions of the Underwriting Agreement.

The Company will consider to procure designated agent to provide odd lot matching services for the Offer Shares. Further details will be disclosed in the Prospectus.

Certificates of the fully-paid Open Offer Shares

Subject to the fulfilment of the conditions of the Open Offer, share certificates for the Open Offer Shares are expected to be posted by 17 March 2014 to those entitled thereto by ordinary post at their own risks. Refund cheques in respect of wholly or partially unsuccessful applications for Open Offer Shares in excess of assured allotments are also expected to be posted on or before 17 March 2014 by ordinary post to the applicants at their own risk.

Rights of Overseas Shareholders

If, at the close of business on the Record Date, a Shareholder's address on the register of members of the Company is in a place outside Hong Kong, that Shareholder may not be eligible to take part in the Open Offer as the Prospectus Documents are not expected to be registered under the applicable securities legislation of any jurisdictions other than Hong Kong. The Board will make enquiries as to whether the issue of Open Offer Shares to the Overseas Shareholders may contravene the applicable securities legislation of the relevant overseas places or the requirements of the relevant regulatory bodies or stock exchanges pursuant to Rule 13.36(2)(a) of the Listing Rules. If, after making such enquiry, the Board is of the opinion that it would be necessary or expedient not to offer the Open Offer Shares to such Overseas Shareholders, the Open Offer will not be available to such Overseas Shareholders.

Accordingly, the Open Offer will not be extended to the Prohibited Shareholders. The results of the enquiries and the basis of exclusion of the Overseas Shareholders will be included in the Prospectus. The Company will send the Prospectus to the Prohibited Shareholders (if any) for their information only and will not send any application form in respect of the assured allotment of the Open Offer Shares to the Prohibited Shareholders (if any).

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Open Offer Shares. The Open Offer Shares are expected to continue to be traded in the existing board lot of 2,000 Shares. Dealings in Open Offer Shares on the Stock Exchange will be subject to the payment of stamp duty in Hong Kong, Stock Exchange trading fees, SFC transaction levy and other applicable fees and charges in Hong Kong.

UNDERWRITING ARRANGEMENTS

Underwriting Agreement

Date	:	17 January 2014
Underwriter	:	CIH
Number of Open Offer Shares underwritten	:	All of the 1,395,291,428 Open Offer Shares to be issued pursuant to the Open Offer
Commission	:	1.5% of the aggregate Subscription Price in respect of the number of the Open Offer Shares underwritten

Pursuant to the Underwriting Agreement, the Underwriter has conditionally agreed to subscribe or procure subscribers to subscribe for the Open Offer Shares which has not been taken up by Latest Time for Acceptance. Accordingly, the Open Offer is fully underwritten.

The commission rate was determined after arms' length negotiations between the Company and the Underwriter with reference to, among other things, the size of the Open Offer, the existing financial position of the Group, the current and expected market condition and the market rate.

The majority of the Board (including all of the independent non-executive Directors) considers that the terms of the Underwriting Agreement (including the commission rate) are fair and reasonable so far as the Company and the Shareholders are concerned.

All Directors other than Mr. Jiang Ming have attended the Board meeting held to approve the Open Offer and the Underwriting Agreement (including the payment of the underwriting commission to CIH). The majority of the Board, including Mr. Tao Lin, Mr. Cai Shaobin, Ms. Wang Hongmei, Mr. Chen Xiaotian, Mr. Wong Kai Cheong and Mr. Yang Jian Gang, have voted in favour of the relevant Board resolution to approve the Open Offer, while Mr. Lu Jiqiang and Dr. Dai Jingming have voted against such Board resolution. Each of Mr. Jiang Ming, Mr. Tao Lin and Ms. Wang Hongmei has a material interest in the payment of the underwriting commission to CIH and has therefore abstained from voting on the relevant Board resolution approving the Underwriting Agreement. The majority of the Board, including Mr. Cai Shaobin, Mr. Chen Xiaotian, Mr. Wong Kai Cheong and Mr. Yang Jian Gang, have voted in favour of the Board resolution approving the Underwriting Agreement (including the payment of the underwriting commission to CIH), while Mr. Lu Jiqiang and Dr. Dai Jingming have voted against such Board resolution.

Undertaking

As at the date of this announcement, the Underwriter is interested in 1,020,841,319 Shares, representing approximately 36.58% of the existing issued share capital of the Company. Pursuant to the Underwriting Agreement, the Underwriter has irrevocably undertaken to the Company that it will subscribe for the 510,420,659 Open Offer Shares which will be allocated to it as Shareholder under the Open Offer.

Save for the above, as of the date of this announcement, the Board has not received any information from any substantial shareholders of their intention to take up the securities which will be allotted to them.

Termination of the Underwriting Agreement

The Underwriter may terminate the Underwriting Agreement if, at any time prior to the Latest Time for Termination, which is expected to be 4:00 p.m. on 10 March 2014, in the reasonable opinion of the Underwriter:

- (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or
- (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not *ejusdem generis* with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (c) any material adverse change in the business or in the financial or trading position of the Group as a whole; or

- (d) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the reasonable opinion of the Underwriter is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (e) there is any change in the circumstances of the Company or any member of the Group which in the reasonable opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (f) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of this announcement or the Prospectus Documents or other announcements or circulars in connection with the Open Offer; or
- (g) the Prospectus when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date thereof been publicly announced or published by the Company and which may in the absolute opinion of the Underwriter is material to the Group as a whole and is likely to affect materially and adversely the success of the Open Offers.

If the Underwriter terminates any of the Underwriting Agreement, the Open Offer will not proceed.

Conditions of the Open Offer

Pursuant to the Underwriting Agreement, the Open Offer is conditional upon:

- (a) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies Ordinance not later than the Prospectus Posting Date;
- (b) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus and a letter in the agreed form to the Prohibited Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Open Offer on or before the Prospectus Posting Date;
- (c) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Offer Shares;
- (d) if applicable, the filing with the Registrar of Companies in Bermuda one copy of each of the Prospectus Documents duly signed by either all Directors or one of the Directors for and on behalf of all the Directors (and all other documents required to be attached thereto) on or before the Posting Date or otherwise in compliance with the applicable laws and regulations of Bermuda;

- (e) if necessary, the Bermuda Monetary Authority granting consent to the issue of the Offer Shares by the Latest Time of Termination or such later time as the Underwriter may agree with the Company in writing;
- (f) compliance with and performance of all the undertakings and obligations of the Company under the Underwriting Agreement;
- (g) the obligations of the Underwriter becoming unconditional and that the Underwriting Agreement is not terminated in accordance with its terms; and
- (h) compliance with the applicable laws and regulations of Hong Kong and Bermuda.

If the conditions referred to above are not satisfied in whole by 4:00 p.m. on 10 March 2014 (or such other time and date(s) as the Company and the Underwriter may mutually agree), the Underwriting Agreement will cease and terminate and the Open Offer will not proceed.

WARNING OF THE RISK OF DEALING IN THE SHARES

The Shareholders and potential investors of the Company should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the paragraph headed “Termination of the Underwriting Agreement” above). Accordingly, the Open Offer may or may not proceed.

The Shareholders and potential investors of the Company should therefore exercise extreme caution when dealing in the Shares, and if they are in any doubt about their positions, they should consult their professional advisers.

The Shareholders should note that the Shares will be dealt in on an ex-entitlement basis commencing from 10 February 2014 and that dealings in Shares will take place while the conditions that the Underwriting Agreement is subject to remain unfulfilled. Any Shareholder or other person dealing in the Shares up to the date on which all conditions that the Underwriting Agreement is subject to are fulfilled (which is expected to be on 10 March 2014) will accordingly bear the risk that the Open Offer may not become unconditional and may not proceed.

SHAREHOLDING STRUCTURE OF THE COMPANY

The existing shareholding structure of the Company as at the date of this announcement and the shareholding structure of the Company immediately upon completion of the Open Offer are set out below:

	As at the date of this announcement		Immediately after completion of the Open Offer (assuming all Qualifying Shareholders take up their respective entitlements under the Open Offer)		Immediately after completion of the Open Offer (assuming none of the Qualifying Shareholders take up their respective entitlements under the Open Offer)	
	Shares	%	Shares	%	Shares	%
The Underwriter, Mr. Jiang Ming, Mr. Chan Boon Teong, Mr. Tao Lin, Mr. Cheng Wing Bor, Mr. Lin Chen Hsin, Great Scope Investments Limited and Cyberich Development Limited and parties acting in concert with any of them						
–The Underwriter	1,020,841,319	36.58	1,531,261,978	36.58	2,416,132,747	57.72
–Shenzhen Investment Limited (Note)	631,092,857	22.62	946,639,285	22.62	631,092,857	15.08
Subtotal	1,651,934,176	59.20	2,477,901,263	59.20	3,047,225,604	72.80
Public Shareholders	1,138,648,681	40.80	1,707,973,022	40.80	1,138,648,681	27.20
Total	<u>2,790,582,857</u>	<u>100.00</u>	<u>4,185,874,285</u>	<u>100.00</u>	<u>4,185,874,285</u>	<u>100.00</u>

Note:

Pursuant to the Takeovers Code, Shenzhen Investment Limited is presumed to be acting in concert with the Underwriter.

REASONS FOR THE OPEN OFFER AND USE OF PROCEEDS

The Group is principally engaged in property development, property investment, property management, project management and construction and project investment services.

The Group recorded an audited consolidated profit attributable to Shareholders of approximately HK\$92.6 million for the year ended 31 March 2013. The Group intends to strengthen its financial position by the Open Offer, which will enable the Company to expand its capital base. In addition, the Open Offer allows the Qualifying Shareholders to maintain their respective pro rata shareholdings in the Company and participate in the future growth and development of the Company.

All Directors other than Mr. Jiang Ming have attended the Board meeting held to approve the Open Offer and the Underwriting Agreement (including the payment of the underwriting commission to CIH). The majority of the Board, including Mr. Tao Lin, Mr. Cai Shaobin, Ms. Wang Hongmei, Mr. Chen Xiaotian, Mr. Wong Kai Cheong and Mr. Yang Jian Gang, have voted in favour of the relevant Board resolution to approve the Open Offer, while Mr. Lu Jiqiang and Dr. Dai Jingming have voted against such Board resolution. Each of Mr. Jiang Ming, Mr. Tao Lin and Ms. Wang Hongmei has a material interest in the payment of the underwriting commission to CIH and has therefore abstained from voting on the relevant Board resolution approving the Underwriting Agreement. The majority of the Board, including Mr. Cai Shaobin, Mr. Chen Xiaotian, Mr. Wong Kai Cheong and Mr. Yang Jian Gang, have voted in favour of the Board resolution approving the Underwriting Agreement (including the payment of the underwriting commission to CIH), while Mr. Lu Jiqiang and Dr. Dai Jingming have voted against such Board resolution.

The gross proceeds from the Open Offer, before expenses, will be approximately HK\$348.8 million. The estimated net proceeds from the Open Offer will be approximately HK\$340.8 million (net of expenses of approximately HK\$8 million). The estimated net price raised per Open Offer Share is approximately HK\$0.244. The Directors presently intend to apply the net proceeds as general working capital of the Group.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE LAST TWELVE MONTHS

The Company has not conducted any equity fund raising activities in the past twelve months immediately preceding the date of this announcement.

EXPECTED TIMETABLE

The expected timetable of the Open Offer is set out as follows:

Last day of dealings in Shares on cum-entitlement basis.	7 February 2014
First day of dealings in Shares on ex-entitlement basis.	10 February 2014
Latest time for lodging transfers of Shares in order to qualify for the Open Offer.	4:30 p.m. on 11 February 2014
Register of members of the Company closes (both dates inclusive)	12 February to 18 February 2014
Record Date	18 February 2014
Despatch of Prospectus Documents.	19 February 2014
Latest time for acceptance of, and payment for, Open Offer Shares.	4:00 p.m. on 7 March 2014
Open Offer and Underwriting Agreement expected to become unconditional on or before	4:00 p.m. on 10 March 2014
Announcement of the results of the Open Offer and excess application and whether the obligation to make a general offer is triggered	14 March 2014

Despatch of certificates for Open Offer Shares and refund cheques	17 March 2014
Expected first day of dealings in Open Offer Shares.	18 March 2014

All times and dates stated above refer to Hong Kong local times and dates. Dates stated in the timetable are indicative only and may be extended or varied. Any change to the expected timetable for the Open Offer will be announced by the Company as appropriate.

EFFECT OF BAD WEATHER UPON THE LATEST TIME FOR ACCEPTANCE

The Latest Time for Acceptance will not take place if there is a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on 7 March 2014. Instead the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day;
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on 7 March 2014. Instead the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on 7 March 2014, the dates mentioned in the section headed “Expected timetable” above in this announcement may be affected. In such event, the Company will notify Shareholders by way of announcement on any change to the expected timetable as soon as practicable.

IMPLICATIONS UNDER THE LISTING RULES IN CONNECTION WITH THE PAYMENT OF THE UNDERWRITING COMMISSION TO CIH

The payment of the underwriting commission to CIH (as the Underwriter) constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As the maximum underwriting commission to be received by CIH pursuant to the Underwriting Agreement is approximately HK\$5.2 million and the applicable percentage ratios as defined in the Listing Rules are less than 5%, it is therefore exempt from the independent shareholders’ approval requirement but only subject to the reporting and announcement requirements pursuant to Rule 14A.32(1) of the Listing Rules. Each of Mr. Jiang Ming, Mr. Tao Lin and Ms. Wang Hongmei has a material interest in the payment of the underwriting commission to CIH and has therefore not voted on the Board resolution approving the payment of the underwriting commission.

POSSIBLE MANDATORY CASH OFFER

As at the date of this announcement, CIH is interested in 1,020,841,319 Shares, representing approximately 36.58% of the issued share capital of the Company. In the event that CIH is called upon to subscribe for the Open Offer Shares pursuant to the Underwriting Agreement (assuming nil subscription by Shareholders under the Open Offer other than CIH), the shareholding interest of CIH will increase from approximately 36.58% to approximately 57.72% of the issued share capital of the Company as enlarged by the issue of the Open Offer Shares.

If, as a result of taking up any Open Offer Shares by CIH under the underwriting commitment pursuant to the Underwriting Agreement, CIH acquires additional voting rights and such acquisition has the effect of increasing its holding by more than 2% from its lowest percentage holding in the 12-month period ending on and inclusive of the date of the relevant acquisition, CIH will be required to make a general offer under the Takeovers Code unless otherwise waived by the Executive. The lowest percentage held by CIH in the 12 months prior to and including the date of this announcement is 36.58%.

In the event that an obligation to make the General Offer is triggered, CCB International Capital Limited will, on behalf of the Potential Offeror, make a mandatory cash offer in accordance with Rule 26 of the Takeovers Code to acquire all the issued Shares other than those already owned or agreed to be acquired by the Potential Offeror.

It is the intention of the Potential Offeror that the listing of Shares on the Stock Exchange should be maintained. Accordingly, the Potential Offeror will take appropriate steps to ensure that not less than 25% of the issued Shares will be held by the public immediately following the close of the General Offer.

If the mandatory cash offers are made, it will be made in accordance with the following terms:

For each Offer Share. HK\$0.25 in cash

The Offer Price of HK\$0.25 for each Offer Share is the same as the Subscription Price to be paid by the Potential Offeror for each Open Offer Share under the Underwriting Agreement.

As at the date of this announcement, there are no outstanding option, warrant, derivative or other convertible securities which may confer any right to the holder thereof to subscribe for, convert or exchange into Shares.

As at the date of this announcement, none of the Potential Offeror or any person acting in concert with it has received any irrevocable commitment to accept the General Offer.

The General Offer is a possibility only. The possible obligation of the Potential Offeror to make the General Offer in accordance with Rule 26 of the Takeovers Code may only arise after completion of the Open Offer. The Open Offer is conditional on the Underwriting Agreement becoming unconditional and the Underwriting Agreement not being terminated by the Latest Time for Termination.

Comparison of value

The Offer Price represents:

- (a) a discount of approximately 19.4% to the closing price of HK\$0.310 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (b) a discount of approximately 19.4% to the average closing price of approximately HK\$0.310 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Date;

- (c) a discount of approximately 22.4% to the average closing price of approximately HK\$0.322 per Share as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Date; and
- (d) a discount of approximately 84.8% to the audited consolidated net asset value per Share of approximately HK\$1.646 (calculated by dividing the unaudited consolidated net asset value of the Group as at 30 September 2013 as shown in the interim report of the Company for the six months ended 30 September 2013 by 2,790,582,857 Shares in issue as at the date of this announcement).

Highest and lowest prices

The highest closing price per Share, based on the Share price as quoted on the Stock Exchange, during the six-month period immediately preceding the date of this announcement was HK\$0.490 on 13 August 2013.

The lowest closing price per Share, based on the Share price as quoted on the Stock Exchange, during the six-month period immediately preceding the date of this announcement was HK\$0.300 on 16 January 2014.

Total consideration

As at the date of this announcement, the Company had 2,790,582,857 Shares in issue. After the completion of the Open Offer, there will be 4,185,874,285 Shares in issue.

Based on the Offer Price of HK\$0.25 per Offer Share, the General Offer values all Shares at approximately HK\$1,046.5 million. Upon completion of the Open Offer and assuming that none of the Shareholders other than the Potential Offeror accepts the Open Offer and that the obligation of the Potential Offeror to make the General Offer is triggered, there shall be 1,769,741,538 Shares subject to the General Offer and, based on the Offer Price of HK\$0.25 per Offer Share, the General Offer values all such Shares at approximately HK\$442.4 million.

Upon completion of the Open Offer and assuming that the obligation of the Potential Offeror to make the General Offer is triggered on the basis that, as a result of taking up any Open Offer Shares by the Potential Offeror under the underwriting commitment pursuant to the Underwriting Agreement, the Potential Offeror acquires additional voting rights and such acquisition has the effect of increasing its holding by just over 2% from its lowest percentage holding in the 12-month period ending on and inclusive of the date of the relevant acquisition, there shall be 2,570,894,821 Shares subject to the General Offer and, based on the Offer Price of HK\$0.25 per Offer Share, the General Offer values all such Shares at approximately HK\$642.7 million.

CCB International Capital Limited has been appointed as the financial adviser to the Potential Offeror in respect of the General Offer. CCB International Capital Limited is satisfied and confirmed that there are sufficient financial resources available for the Potential Offeror to meet its payment obligations in the event of full acceptances of the General Offer.

Condition of the General Offer

As the Potential Offeror, Mr. Jiang Ming, Mr. Chan Boon Teong, Mr. Tao Lin, Mr. Cheng Wing Bor, Mr. Lin Chen Hsin, Great Scope Investments Limited and Cyberich Development Limited and parties acting in concert with any of them (including Shenzhen Investment Limited, which is presumed to be acting in concert with the Underwriter pursuant to the Takeovers Code) will hold more than 50% of the issued share capital of the Company after completion of the Open Offer, the General Offer will be unconditional pursuant to Rule 30.2 of the Takeovers Code.

Effect of accepting the General Offer

By accepting the General Offer, Shareholders will sell to the Potential Offeror their Offer Shares, including, in respect of the Offer Shares, the rights to receive all dividends and distributions declared, made or paid on or after 17 January 2014, being the date of the Underwriting Agreement.

Settlement of the consideration

Seller's ad valorem stamp duty amounting to HK\$1.00 for every HK\$1,000 (or part of HK\$1,000) of the amount of the consideration payable in respect of the relevant acceptance, or the market value of the Shares, whichever is greater (rounded up to the nearest HK\$1.00) will be deducted from the consideration payable to the Shareholders who accept the General Offer.

The amounts due to the Shareholders who accept the General Offer will be posted by the Potential Offeror at the risk of the Shareholders accepting the General Offer as soon as possible but in any event within 7 business days of the later of the date on which the General Offer becomes, or is declared, unconditional and the date of receipt of a duly completed acceptance in accordance with the Takeovers Code.

INFORMATION ON THE GROUP

The Group is principally engaged in property development, property investment, property management, project management and construction and project investment services.

INFORMATION ON THE POTENTIAL OFFEROR

CIH is a controlling shareholder of the Company and is interested in an aggregate of 1,020,841,319 Shares, representing approximately 36.58% of the issued share capital of the Company. Such 1,020,841,319 Shares are beneficially and directly owned by CIH. The entire issued voting share capital of CIH is held as to 37.58% by Mr. Jiang Ming, 21.56% by Mr. Chan Boon Teong, 5.38% by Mr. Tao Lin, 5.38% by Mr. Cheng Wing Bor, 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) and 5.38% by Cyberich Development Limited (the entire issued voting share capital of which is held by Ms. Wang Hongmei).

The principal business activities of CIH is investment holding.

As at the date of this announcement, the Potential Offeror owns 1,020,841,319 Shares, representing approximately 36.58% of the issued share capital of the Company. As at the date of this announcement, 631,092,857 Shares, representing approximately 22.62% of the issued share capital of the Company, are owned by Shenzhen Investment Limited, which is, pursuant to the Takeovers Code, presumed to be acting in concert with the Potential Offeror. Save as the above, there is no existing holding of voting rights or rights over the Shares which is owned or controlled or directed by the Potential Offeror, Mr. Jiang Ming, Mr. Chan Boon Teong, Mr. Tao Lin, Mr. Cheng Wing Bor, Mr. Lin Chen Hsin, Great Scope Investments Limited, Cyberich Development Limited or any person acting in concert with any of them.

None of the Potential Offeror, Mr. Jiang Ming, Mr. Chan Boon Teong, Mr. Tao Lin, Mr. Cheng Wing Bor, Mr. Lin Chen Hsin, Great Scope Investments Limited, Cyberich Development Limited nor parties acting in concert with any of them holds any options, warrants, convertible securities or derivatives in respect of the Shares.

During the six-month period immediately prior to the date of the Underwriting Agreement and up to the date of this announcement, none of the Potential Offeror, Mr. Jiang Ming, Mr. Chan Boon Teong, Mr. Tao Lin, Mr. Cheng Wing Bor, Mr. Lin Chen Hsin, Great Scope Investments Limited, Cyberich Development Limited nor parties acting in concert with any of them had dealt in any Shares, derivatives, options, warrants or any convertible securities of the Company.

There is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Potential Offeror or the Company and which might be material to the General Offer as referred to in Note 8 to Rule 22 of the Takeovers Code.

There is no agreement or arrangement to which the Potential Offeror is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the General Offer.

There is no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Potential Offeror, Mr. Jiang Ming, Mr. Chan Boon Teong, Mr. Tao Lin, Mr. Cheng Wing Bor, Mr. Lin Chen Hsin, Great Scope Investments Limited, Cyberich Development Limited or parties acting in concert with any of them has borrowed or lent.

INTENTIONS OF THE POTENTIAL OFFEROR REGARDING THE COMPANY

The Potential Offeror intends that the Group will continue with all its existing businesses and does not intend to make any material change to the businesses or assets of the Group. The Potential Offeror intends that there will be no material change to the existing employees of the Group by reason only of the General Offer.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Potential Offeror intends to maintain the listing status of the Shares on the Stock Exchange. The Potential Offeror and the Board will take appropriate steps to ensure that not less than 25% of the issued Shares will be held by the public immediately following the close of the General Offer.

DELAY IN DESPATCH OF THE OFFER DOCUMENT

Rule 8.2 of the Takeovers Code provides that an offer document should normally be posted by or on behalf of the offeror within 21 days of the date of the announcement of the terms of offer (i.e. this announcement). Pursuant to Note 2 to Rule 8.2 of the Takeovers Code, the Executive's consent is required if the making of offer is subject to the prior fulfilment of a pre-condition and the pre-condition cannot be fulfilled within the time period contemplated by Rule 8.2 of the Takeovers Code. An application has been made to the Executive pursuant to Rule 8.2 of the Takeovers Code for the consent to the delay in despatch of the offer document. The offer document in relation to the General Offer will be posted to Shareholders within seven days from the date when the General Offer obligation arises, or 21 March 2014, whichever is the earlier.

DISCLOSURE OF DEALINGS

Associates (including a person who owns or control 5% or more of any class of relevant securities) of the Company and the Potential Offeror are reminded to disclose their dealings in the Shares.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

This dispensation does not alter the obligations of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved. Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

GENERAL

An independent Board committee of the Company which comprises all non-executive Directors will be formed to advise the Independent Shareholders on the General Offer and the Company will appoint an independent financial adviser to advise the independent Board committee of the Company regarding the General Offer if the Potential Offeror's obligation to make the General Offer is triggered upon the close of the Open Offer. Details of the appointment will be announced in due course.

RESUMPTION OF TRADING IN SHARES

At the request of the Company, trading in Shares on the Stock Exchange was halted from 1:00 p.m. on 17 January 2014 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in Shares on the Stock Exchange with effect from 9:00 a.m. on 27 January 2014.

DEFINITIONS

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day on which licensed banks in Hong Kong are generally open for business, other than a Saturday or a Sunday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is issued in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not cancelled at or before 12:00 noon
“CIH” or “Potential Offeror” or “Underwriter”	Coastal International Holdings Limited, a company incorporated in the British Virgin Islands and a controlling Shareholder of the Company interested in an aggregate of 1,020,841,319 Shares, representing approximately 36.58% of the issued share capital of the Company
“Company”	Coastal Greenland Limited, a company incorporated in Bermuda, the issued shares of which are listed on the Stock Exchange (Stock code: 1124)
“Companies Act”	the Companies Act 1981 of Bermuda
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Director(s)”	director(s) of the Company
“Executive”	executive director of the Corporate Finance Division of the SFC or any of his delegates
“General Offer”	the possible mandatory unconditional cash offer to be made in accordance with the Takeovers Code by CCB International Capital Limited on behalf of the Potential Offeror to acquire all the Shares not already owned or agreed to be acquired by the Potential Offeror at a price of HK\$0.25 per Share
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Shareholders”	Shareholders other than CIH, Mr. Jiang Ming, Mr. Chan Boon Teong, Mr. Tao Lin, Mr. Cheng Wing Bor, Mr. Lin Chen Hsin, Great Scope Investments Limited and Cyberich Development Limited and parties acting in concert with any of them
“Last Trading Date”	17 January 2014, being the last trading day which was immediately prior to the suspension of trading in the Shares on the Stock Exchange pending the release of this announcement
“Latest Time for Acceptance”	4:00 p.m. on 7 March 2014, being the latest time for acceptance of, and payment for, the Open Offer Shares in the manner as set out in the Prospectus (or such other time or date as the Underwriter and the Company may agree in writing)
“Latest Time for Termination”	4:00 p.m. on 10 March 2014 or the second Business Day after the Latest Time for Acceptance (whichever is the later), being the latest time to terminate the Underwriting Agreement, and in any case, the latest time would not be later than the time when dealings of the Open Offer Shares commence (or such other time or date as the Underwriter and the Company may agree in writing)
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Offer Price”	offer price of HK\$0.25 per Offer Share pursuant to the General Offer
“Offer Share(s)”	Share(s) subject to the General Offer
“Open Offer”	the proposed issue of the Open Offer Shares at the Subscription Price by way of open offer to the Qualifying Shareholders on the terms to be set out in the Prospectus Documents
“Open Offer Share(s)”	the new Share(s) proposed to be offered to the Qualifying Shareholders for subscription pursuant to the Open Offer
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose registered address(es) on that date is/are in (a) place(s) outside Hong Kong
“Prohibited Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose registered address(es) as shown on such register at that time is/are in (a) place(s) outside Hong Kong, where the Directors, based on legal opinions provided by legal advisers, consider it necessary or expedient not to offer the Open Offer Shares to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place

“Prospectus”	the prospectus to be issued by the Company in relation to the Open Offer
“Prospectus Documents”	the Prospectus, the application form in respect of the assured allotment of the Open Offer Shares and the excess application form for the Open Offer Shares
“Prospectus Posting Date”	19 February 2014, the date of despatch of the Prospectus Documents, or such other date as the Underwriter may agree in writing with the Company for the dispatch of the Prospectus Documents
“Qualifying Shareholder(s)”	the Shareholder(s), other than the Prohibited Shareholder(s), whose name(s) appear(s) on the register of members of the Company on the Record Date
“Record Date”	18 February 2014, being the date by reference to which entitlements under the Open Offer are expected to be determined (or such other date as the Underwriter may agree in writing with the Company)
“Registrar”	Tricor Tengis Limited, the branch registrar of the Company in Hong Kong
“SFC”	Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	subscription price of HK\$0.25 per Open Offer Share pursuant to the Open Offer
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“Underwriting Agreement”	the underwriting agreement dated 17 January 2014 and entered into between the Company and the Underwriter in relation to the underwriting of the Open Offer Shares

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent.

By order of the Board
Coastal Greenland Limited
Jiang Ming
Chairman

Hong Kong, 24 January 2014

As at the date of this announcement, the board of directors of the Company comprises Mr. Jiang Ming, Mr. Tao Lin, Mr. Cai Shaobin and Ms. Wang Hongmei as executive directors, Mr. Lu Jiqiang and Mr. Dai Jingming as non-executive directors and Mr. Chen Xiaotian, Mr. Wong Kai Cheong and Mr. Yang Jian Gang as independent non-executive directors.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to the Potential Offeror) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

Mr. Jiang Ming, Mr. Chan Boon Teong, Mr. Tao Lin, Mr. Cheng Wing Bor and Mr. Lin Chen Hsin, being the directors of the Potential Offeror, jointly and severally accept full responsibility for the accuracy of the information in relation to the Potential Offeror contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.