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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: 01124)

DISCLOSEABLE TRANSACTION

On 18 June 2014, Shenzhen Coastal, a wholly-owned subsidiary of the Company, as vendor and Xiamen Yi Tao as purchaser entered into the Agreement pursuant to which Shenzhen Coastal agreed to sell and Xiamen Yi Tao agreed to acquire the Sale Capital for a total consideration of RMB59,200,000 (equivalent to approximately HK\$74,000,000).

As one of the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

THE AGREEMENT

Date: 18 June 2014

Parties: Shenzhen Coastal, a wholly-owned subsidiary of the Company, as vendor
Xiamen Yi Tao as purchaser

Xiamen Yi Tao is principally engaged in investment holding.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Xiamen Yi Tao and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

Assets to be disposed

Pursuant to the Agreement, Shenzhen Coastal has agreed to sell and Xiamen Yi Tao has agreed to acquire the Sale Capital, representing 40% of the registered capital of Changsha Xinhongxin as at the date of the Agreement.

Consideration

The consideration for the Sale Capital is RMB59,200,000 (equivalent to approximately HK\$74,000,000), which was arrived at after arm's length negotiations between Shenzhen Coastal and Xiamen Yi Tao with reference to registered capital of Changsha Xinhongxin of RMB148,000,000 (equivalent to approximately HK\$185,000,000).

The Consideration will be paid by Xiamen Yi Tao to Shenzhen Coastal in cash within 180 days after the date of the Agreement.

The Directors are of the view that the terms and conditions of the Agreement are fair and reasonable and on normal commercial terms and are in the interests of the Company and its shareholders as a whole.

Completion

Completion took place on the date of the Agreement and Shenzhen Coastal transferred the Sale Capital to Xiamen Yi Tao.

Immediately prior to Completion, Changsha Xinhongxin was a 40% joint venture of the Company. After Completion, Changsha Xinhongxin ceased to be a joint venture of the Company and the Company ceased to hold any equity interests in Changsha Xinhongxin.

INFORMATION ON CHANGSHA XINHONGXIN

Changsha Xinhongxin is principally engaged in property development.

The unaudited financial information of Changsha Xinhongxin for the two financial years ended 31 December 2012 and 2013 as prepared in accordance with generally accepted accounting principles in the PRC are set out below:

	For the year ended 31 December 2013 (RMB'000)	For the year ended 31 December 2012 (RMB'000)
Loss before taxation	21,412	26,892
Loss after taxation	21,572	26,892
Net assets	44,678	66,250

REASONS FOR THE DISPOSAL AND USE OF PROCEEDS

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

It is estimated that the Group will record an unaudited gain, before taking into account relevant tax expenses in relation to the Disposal, of RMB4,695,000 (equivalent to approximately HK\$5,869,000) from the Disposal, being the difference between the Consideration and the estimated carrying value of the Sale Capital attributable to the Group. The actual gain arising out of the Disposal is subject to the final tax expenses to be charged on the Disposal and accordingly may be different from the estimated unaudited gain of RMB4,695,000 (equivalent to approximately HK\$5,869,000).

The Directors consider that the Disposal represents a good opportunity for the Group to dispose its equity interests in Changsha Xinhongxin and the proceeds from the Disposal will be applied towards the general working capital of the Group.

LISTING RULES IMPLICATIONS

As one of the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Agreement”	the share transfer agreement dated 18 June 2014 entered into between Shenzhen Coastal as vendor and Xiamen Yi Tao as purchaser pursuant to which Shenzhen Coastal has agreed to sell the Sale Capital to Xiamen Yi Tao
“Board”	the board of Directors
“Changsha Xinhongxin”	長沙新泓信房地產開發有限公司 (transliterated as Changsha Xinhongxin Real Estate Development Co., Limited), a company established in the PRC
“Company”	Coastal Greenland Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Stock Exchange
“Completion”	the completion of the transfer of the Sale Capital under the Agreement pursuant to the terms and conditions thereof
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the sum of RMB59,200,000 (equivalent to approximately HK\$74,000,000)
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Sale Capital in accordance with the terms and conditions of the Agreement
“Group”	the Company and/or its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan

“Sale Capital”	40% of the registered and paid up capital of Changsha Xinhongxin
“Shenzhen Coastal”	深圳沿海國投置業有限公司 (transliterated as Shenzhen Coastal Property Investment Limited) a company established in the PRC and the vendor of the Sale Capital
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Xiamen Yi Tao”	廈門奕濤貿易有限公司 (transliterated as Xiamen Yi Tao Trading Limited), a company established in the PRC and the purchaser of the Sale Capital
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

By order of the Board
Coastal Greenland Limited
Jiang Ming
Chairman

Hong Kong, 18 July 2014

For the purpose of this announcement, unless otherwise indicated, conversion of RMB into HK\$ is calculated at the approximate exchange rate of RMB1.25 to HK\$1.00. 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.

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

* *for identification purpose only*