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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 28 July 2014, Shanghai Coastal, a wholly-owned subsidiary of the Company, as vendor and Beijing Ziguang as purchaser entered into the Agreement pursuant to which Shanghai Coastal agreed to sell and Beijing Ziguang agreed to acquire the Sale Capital for a total consideration of RMB95,000,000 (equivalent to approximately HK\$118,750,000).

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: 28 July 2014

Parties: Shanghai Coastal, a wholly-owned subsidiary of the Company, as vendor
Beijing Ziguang as purchaser

Beijing Ziguang is principally engaged in investment holding.

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

Assets to be disposed

Pursuant to the Agreement, Shanghai Coastal has agreed to sell and Beijing Ziguang has agreed to acquire the Sale Capital, representing 25% of the registered capital of Ziguang Yan Hai as at the date of this announcement.

Consideration

The consideration for the Sale Capital is RMB95,000,000 (equivalent to approximately HK\$118,750,000), which was arrived at after arm's length negotiations between Shanghai Coastal and Beijing Ziguang with reference to the registered capital of Ziguang Yan Hai of RMB364,000,000 (equivalent to approximately HK\$455,000,000).

The Consideration shall be payable by Beijing Ziguang to Shanghai Coastal as follows:

- 1) as to RMB23,750,000 (equivalent to approximately HK\$29,688,000) shall be payable by Beijing Ziguang to Shanghai Coastal in cash within three Business Days after the date of the Agreement as Deposit and part payment of the Consideration; and
- 2) the balance of RMB71,250,000 (equivalent to approximately HK\$89,063,000) shall be payable by Beijing Ziguang to Shanghai Coastal in cash within three Business Days after the completion of the change of business registration for the transfer of the Sale Capital.

Upon completion of the change of business registration for the transfer of the Sale Capital, the Deposit shall be used to settle part of the Consideration.

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

Within 20 Business Days after the date of the payment of the Deposit, (i) Shanghai Coastal shall transfer the Sale Capital to Beijing Ziguang and Shanghai Coastal; and (ii) Beijing Ziguang shall complete the change of business registration procedures for the transfer of the Sale Capital.

Within five Business Days after the date of the full payment of the Consideration, Shanghai Coastal shall deliver to Beijing Ziguang the license, seal, financial documents, business information, rights certificate and physical assets of Ziguang Yan Hai in the possession of Shanghai Coastal.

Immediately prior to Completion, Ziguang Yan Hai was an 25% associate of the Group. After Completion, Ziguang Yan Hai will cease to be an associate of the Group and Shanghai Coastal will cease to hold any equity interests in Ziguang Yan Hai.

INFORMATION ON ZIGUANG YAN HAI

Ziguang Yan Hai is principally engaged in investment holding.

The audited financial information of Ziguang Yan Hai 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	386	10,328
Loss after taxation	386	10,328
Net assets	354,546	354,932

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 RMB6,550,000 (equivalent to approximately HK\$8,188,000) from the Disposal, being the difference between the Consideration and the aggregate of 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 RMB6,550,000 (equivalent to approximately HK\$8,188,000).

The Directors consider that the Disposal represents a good opportunity for the Group to dispose its equity interests in Ziguang Yan Hai 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 28 July 2014 entered into between Shanghai Coastal as vendor and Beijing Ziguang as purchaser pursuant to which Shanghai Coastal has agreed to sell the Sale Capital to Beijing Ziguang
“Beijing Ziguang”	北京紫光置地投资有限公司 (transliterated as Beijing Ziguang Land Investment Company Limited), a company established in the PRC and the purchaser of the Sale Capital

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and public holiday) on which licensed banks are generally open for business in the PRC throughout their normal business hours
“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 RMB95,000,000 (equivalent to approximately HK\$118,750,000)
“Deposit”	the deposit in the amount of RMB23,750,000 (equivalent to approximately HK\$29,688,000) payable by Beijing Ziguang to Shanghai Coastal under the Agreement
“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”	25% of the registered capital of Ziguang Yan Hai
“Shanghai Coastal”	上海沿海綠色家園置業有限公司 (Shanghai Coastal Greenland Real Estate Ltd.) a company established in the PRC and the vendor of the Sale Capital
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Ziguang Yan Hai”	北京紫光沿海聯合投資有限公司 (Beijing Ziguang Yan Hai Lian He Investment Co., Ltd.), a company established in the PRC

“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, 28 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 Jiangang as independent non-executive Directors.

* *for identification purpose only*