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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 25 August 2014, Coastal Wuhan, a wholly-owned subsidiary of the Company, as lender, Nanjing Yuan Ding as borrower and Bank of Shanghai as lending agent entered into the Loan Agreement pursuant to which Coastal Wuhan has engaged Bank of Shanghai to provide the Entrusted Loan to Nanjing Yuan Ding in the principal amount of RMB200,000,000 (equivalent to HK\$250,000,000) subject to and upon the terms and conditions of the Loan Agreement.

As one of the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Loan Agreement and the transaction contemplated thereunder exceeds 5% but is less than 25%, the Loan Agreement and the transactions contemplated thereunder constitute 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 LOAN AGREEMENT**

**Date:** 25 August 2014

**Parties:** Lender: Coastal Wuhan, a wholly-owned subsidiary of the Company  
Borrower: Nanjing Yuan Ding  
Lending agent: Bank of Shanghai

Nanjing Yuan Ding is principally engaged in property development. As 30% of the registered capital of Nanjing Yuan Ding is indirectly held by the Company, Nanjing Yuan Ding is the associate of the Group.

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

## **THE ENTRUSTED LOAN**

Pursuant to the Loan Agreement, Coastal Wuhan has engaged Bank of Shanghai to provide the Entrusted Loan to Nanjing Yuan Ding in the principal amount of RMB200,000,000 (equivalent to HK\$250,000,000) subject to and upon the terms and conditions of the Loan Agreement.

Coastal Wuhan will use its internal financial resources to provide the Entrusted Loan.

The Entrusted Loan is unsecured and no security over the assets of Nanjing Yuan Ding will be granted to Coastal Wuhan in respect of the Entrusted Loan.

### **Term**

The Entrusted Loan is for a term from 26 August 2014 to 2 April 2015. Nanjing Yuan Ding shall repay the whole of the outstanding principal amount of the Entrusted Loan on the due date. Subject to the agreement of Coastal Wuhan, Nanjing Yuan Ding may repay the outstanding principal amount of the Entrusted Loan prior to the due date on the terms as agreed between Coastal Wuhan and Nanjing Yuan Ding.

### **Interest**

Interest on the outstanding amount of the Entrusted Loan shall accrue at the rate of 18% per annum. The interest will be payable by Nanjing Yuan Ding to Bank of Shanghai on a quarterly basis until full repayment of the Entrusted Loan and Bank of Shanghai will forthwith remit the same amount to Coastal Wuhan.

### **Service fee**

Service fee in the amount of RMB1,000,000 (equivalent to HK\$1,250,000) is payable by Coastal Wuhan to Bank of Shanghai for the Entrusted Loan at the drawdown date of the Entrusted Loan.

## **REASONS FOR THE ENTERING INTO OF THE LOAN AGREEMENT**

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

The entering into of the Loan Agreement will allow the Group to generate additional interest return. Given that Nanjing Yuan Ding is the associate of the Group and the proceeds shall be used for the purpose of construction of the property development project engaged by Nanjing Yuan Ding at Liu He Nai Shan, Nanjing, the PRC, the Directors consider that the credit risk is relatively low and the interest income will be in the interest of the Company.

Entrusted loans are a common practice adopted by commercial banks in the PRC. The entrusted loan arrangements allow the lender to receive additional interest income, and the lending banks are in a better position to assess the credit risks of the prospective borrower. Hence, the Directors believe that entrusted loan arrangements are a relatively prudent method to facilitate an efficient use of the financial resources of the Group without encountering unmanageable credit risks.

The Directors (including their respective independent non-executive directors) consider that the terms of the Loan Agreement are entered into upon normal commercial terms. The transaction structure and the terms of the Entrusted Loan, including the interest rate and the service fee, are agreed by the parties after arm's length negotiations with reference to the prevailing market practices and the prevailing market interest rates and service fee for entrusted loans in the PRC.

Based on the above, the Directors (including their respective independent non-executive Directors) consider that the Loan Agreement is fair and reasonable and are in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one of the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Loan Agreement and the transaction contemplated thereunder exceeds 5% but is less than 25%, the Loan Agreement and the transactions contemplated thereunder constitute 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:

“Bank of Shanghai”	上海銀行股份有限公司，南京分行(transliterated as Bank of Shanghai Company Limited, Nanjing Branch)
“Board”	the board of Directors
“Coastal Wuhan”	Coastal Greenland Development (Wuhan) Co., Ltd., a company established in the PRC and is an indirect wholly-owned subsidiary of the Company
“Company”	Coastal Greenland Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Entrusted Loan”	entrusted loan in the principal amount of RMB200,000,000 (equivalent to approximately HK\$250,000,000), made by Coastal Wuhan to Nanjing Yuan Ding through Bank of Shanghai subject to and upon the terms and conditions of the Loan Agreement
“Group”	the Company and/or its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

“Loan Agreement”	the loan agreement dated 25 August 2014 and entered into between Coastal Wuhan, Nanjiang Yuan Ding and Bank of Shanghai in relation to the provision of the Entrusted Loan
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nanjing Yuan Ding”	Nanjing Yuan Ding Enterprise Co., Ltd., a company established in the PRC and is a 30% associate of the Group
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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, 25 August 2014

*For the purpose of this announcement, unless otherwise indicated, conversion of RMB into HK\$ is calculated at the approximate exchange rate of HK\$1.25 to RMB1.00. 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*