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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)

MAJOR TRANSACTION
GUARANTEES FOR LOAN FACILITY TO BE GRANTED TO
AN ASSOCIATE

THE GUARANTEES

On 15 April 2016 (after trading hours of the Stock Exchange), the Company and Coastal Realty, a wholly-owned subsidiary of the Company, as guarantors, separately entered into the Guarantee Agreements with the Lender to facilitate the granting of the Loan Facility by the Lender to Chongqing Yanke, an associate owned by the Company as to 35% of its equity interests. The principal amount of the Loan Facility is RMB250 million (equivalent to approximately HK\$300 million). Each of the Company and Coastal Realty will severally guarantee 100% of the liabilities of Chongqing Yanke under the Loan Agreement.

LISTING RULES IMPLICATIONS

The entering into of the Guarantee Agreements and the transactions contemplated thereunder constitute a major transaction on the part of the Company under Chapter 14 of the Listing Rules and are subject to the announcement and the Shareholders' approval requirements under Chapter 14 of the Listing Rules. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders have any material interest in the Guarantees or are required to abstain from voting at a special general meeting of the Company to approve the Guarantee Agreements and the transactions contemplated thereunder.

A circular containing details of the Guarantees, the notice convening the SGM and other information required under the Listing Rules is expected to be despatched to the Shareholders on or before 10 May 2016, so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

THE GUARANTEE AGREEMENTS

On 15 April 2016 (after trading hours of the Stock Exchange), Chongqing Yanke and the Lender entered into the Loan Agreement, pursuant to which the Lender has conditionally agreed to grant the Loan Facility in the principal amount of RMB250 million (equivalent to approximately HK\$300 million) to Chongqing Yanke. Pursuant to the Loan Agreement, one of the conditions precedent to the draw down of the Loan Facility by Chongqing Yanke is the provision of guarantee by each of the Company and Coastal Realty. On 15 April 2016 (after trading hours of the Stock Exchange), the Company and Coastal Realty, as guarantors, separately entered into the Guarantee Agreements with the Lender to facilitate the granting of the Loan Facility by the Lender to Chongqing Yanke. Pursuant to the Guarantee Agreements, each of the Company and Coastal Realty will severally guarantee 100% of the liabilities of Chongqing Yanke under the Loan Agreement.

Principal terms of the Loan Agreement

<i>Date:</i>	15 April 2016 (after trading hours of the Stock Exchange)
<i>Parties:</i>	
– Lender	Heyi Asset Management Company Limited
– Borrower	Chongqing Yanke
<i>Principal amount of the Loan Facility:</i>	RMB250 million (equivalent to approximately HK\$300 million)
<i>Interest:</i>	10.5% per annum, payable every three months in arrears from the draw down of the Loan Facility
<i>Repayment:</i>	RMB50 million (equivalent to approximately HK\$60 million) of the principal amount of the Loan Facility shall be repaid on the date falling 6 months from the draw down of the Loan Facility. The balance of the principal amount of the Loan Facility shall be repaid on the date falling 2 years from the date of the Loan Agreement.
<i>Security:</i>	The Loan Facility shall be secured by: (i) pledge of certain assets of Chongqing Yanke, including construction in progress and relevant receivables; (ii) pledge of the entire equity interests in Chongqing Yanke held by CBUSPD and the Company; and (iii) the Guarantees

Principle terms of the Guarantees

<i>Date:</i>	15 April 2016 (after trading hours of the Stock Exchange)
<i>Parties:</i>	
– Guarantee	Heyi Asset Management Company Limited
– Guarantors	the Company (pursuant to Guarantee Agreement A) Coastal Realty (pursuant to Guarantee Agreement B)
<i>Guarantee period:</i>	The Guarantees shall become effective from the date of the Loan Agreement and expire 2 years from the repayment due date of the Loan Facility under the Loan Agreement, and the Guarantees shall cease upon Chongqing Yanke has duly fulfilled its obligations under the Loan Agreement
<i>Guarantee amount:</i>	RMB250 million (equivalent to approximately HK\$300 million)

The Company and Coastal Realty will severally guarantee 100% of the liabilities of Chongqing Yanke under the Loan Agreement. The principal amount of the Loan Facility is RMB250 million (equivalent to approximately HK\$300 million). The maximum exposure to liabilities guaranteed by the Company and Coastal Realty (being an aggregate amount of principal and interest payable under the Loan Agreement) is estimated to be approximately RMB295 million (equivalent to approximately HK\$354 million).

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, the Lender, CBUSPD and their respective ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Consideration

Neither the Company nor Coastal Realty will receive any fee or commission from the provision of Guarantees under the Guarantee Agreements.

Condition precedent

Guarantee Agreements are conditional upon the passing by the Shareholders at a special general meeting of the Company of the ordinary resolution(s) to approve Guarantee Agreements and the transactions contemplated thereunder.

REASONS FOR AND BENEFIT OF THE GUARANTEES

The Directors consider that the provision of the Guarantees by the Company and Coastal Realty will facilitate Chongqing Yanke to obtain the Loan Facility which enables timely progression of the construction projects undertaken by Chongqing Yanke. Despite that the guarantees provided by the Company and Coastal Realty represent 100% of the liabilities of Chongqing Yanke under the Loan Agreement which is not in proportion to the Company's equity interests in Chongqing Yanke, having considered that (i) the terms of the Guarantee Agreements are determined after arms' length negotiations; (ii) the Loan Facility shall also be secured by pledge of certain assets of Chongqing Yanke and pledge of the entire equity interests in Chongqing Yanke held by CBUSPD and the Company; (iii) the Loan Facility would enable timely progression of the construction projects undertaken by Chongqing Yanke which could have positive impacts on the returns to the Group through its equity interests in Chongqing Yanke; and (iv) financial return to the Group as the Group is the project manager of Chongqing Yanke and will receive project management service fee from the construction projects, the Directors are of the view that the terms and conditions of the Guarantees are fair and reasonable and are on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE PARTIES

The Company is principally engaged in investment holding. The principal activities of the subsidiaries of the Company comprise property development, property investment, provision of property management services, project management and project investment services.

Coastal Realty is a company established in the PRC with limited liability. It is a wholly-owned subsidiary of the Company and is principally engaged in investment holding.

The Lender is a company established in the PRC with limited liability. It is principally engaged in assets management and consultancy services.

CBUSPD is a company established in the PRC with limited liability. It is principally engaged in project investment and related services.

Chongqing Yanke is an associate owned as to 35% by the Company and as to 65% by CBUSPD. Chongqing Yanke is principally engaged in a residential property development project in Beipei District, Chongqing, the PRC.

LISTING RULES IMPLICATIONS

The entering into of the Guarantee Agreements and the transactions contemplated thereunder constitute a major transaction on the part of the Company under Chapter 14 of the Listing Rules and are subject to the announcement and the Shareholders' approval requirements under Chapter 14 of the Listing Rules. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders have any material interest in the Guarantees or are required to abstain from voting at a special general meeting of the Company to approve the Guarantee Agreements and the transactions contemplated thereunder.

A circular containing details of the Guarantees, the notice convening the SGM and other information required under the Listing Rules is expected to be despatched to the Shareholders on or before 10 May 2016, so as to allow sufficient time for the preparation of the relevant information for inclusion in the Circular.

DEFINITIONS

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

“Board”	the board of Directors
“CBUSPD”	重慶市北碚大學科技園發展有限公司 (Chongqing Beibei University Science Park Development Company Limited**), a company established in the PRC with limited liability, which owns 65% equity interests in Chongqing Yanke
“Chongqing Yanke”	重慶市沿科實業有限公司 (Chongqing Yanke Enterprises Co., Ltd.**), a company established in the PRC with limited liability and an associate owned as to 35% by the Company
“Coastal Realty”	沿海地產投資(中國)有限公司 (Coastal Realty Investment (China) Limited**), a company established in the PRC with limited liability and a 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 main board of the Stock Exchange with stock code 1124

“connected person(s)”	has the meaning ascribed to it under Chapter 14A of the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and/or its subsidiaries
“Guarantees”	the guarantees given by the Company and Coastal Realty in favour of the Lender in relation to the Loan Facility, on and subject to the terms and conditions of the Guarantee Agreements
“Guarantee Agreements”	the Guarantee Agreement A and the Guarantee Agreement B
“Guarantee Agreement A”	the guarantee agreement dated 15 April 2016 and entered into between the Lender and the Company as one of the guarantors in relation to the Loan Facility
“Guarantee Agreement B”	the guarantee agreement dated 15 April 2016 and entered into between the Lender and Coastal Realty as one of the guarantors in relation to the Loan Facility
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Lender”	合益資產管理股份有限公司 (Heyi Asset Management Company Limited**), a company established in the PRC with limited liability
“Loan Agreement”	the loan agreement dated 15 April 2016 and entered into between Chongqing Yanke and the Lender, in relation to the granting of the Loan Facility by the Lender to Chongqing Yanke
“Loan Facility”	the loan facility of up to RMB250 million (equivalent to approximately HK\$300 million) conditionally granted by the Lender to Chongqing Yanke
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SGM”	the special general meeting of the Company to be convened and held to consider and, if thought fit, approve the Guarantee Agreements and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

* *For identification purpose only*

** *The English translation of Chinese names or words in this announcement, where indicated, are included for information purpose only and should not be regarded as the official English translation of such Chinese names or words.*

For the purpose of this announcement, unless otherwise indicated, conversion of RMB into HK\$ is calculated at the approximate exchange rate of HK\$1.20 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.

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

Hong Kong, 15 April 2016

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.