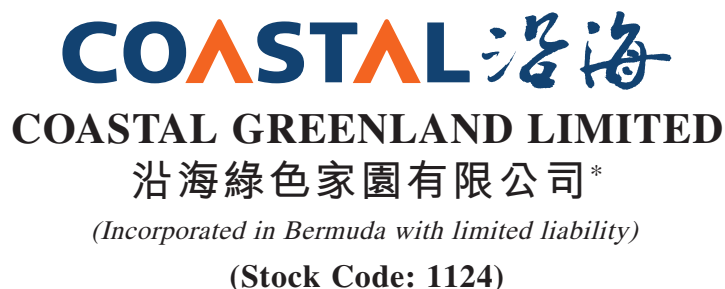


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**DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO
THE DISPOSAL OF 30% EQUITY INTERESTS IN
ASSOCIATED COMPANY**

THE DISPOSAL

On 14 December 2017 (after trading hours of the Stock Exchange), Shenzhen Coastal, being a wholly-owned subsidiary of the Company, entered into the Agreement with Shum Yip Southern Land pursuant to which Shenzhen Coastal has conditionally agreed to sell and Shum Yip Southern Land has conditionally agreed to acquire the Sale Capital at a total consideration of RMB15,000,000 (equivalent to approximately HK\$16,896,000).

LISTING RULES IMPLICATIONS

As at the date of this announcement, SIL holds 631,092,857 Shares, representing approximately 15.08% of the equity interests of the Company, and is therefore a connected person of the Company by virtue of being a substantial Shareholder. Shum Yip Southern Land, being a wholly-owned subsidiary of SIL, is an associate of the substantial Shareholder and therefore a connected person of the Company. Accordingly, the Disposal will constitute a connected transaction for the Company under Chapter 14A of the Listing Rules and is exempted from the circular, independent financial advice and shareholders' approval requirements.

* *For identification purpose only*

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 Chapter 14 of the Listing Rules.

On 14 December 2017 (after trading hours of the Stock Exchange), Shenzhen Coastal, being a wholly-owned subsidiary of the Company, entered into the Agreement with Shum Yip Southern Land pursuant to which Shenzhen Coastal has conditionally agreed to sell and Shum Yip Southern Land has conditionally agreed to acquire the Sale Capital at a total consideration of RMB15,000,000 (equivalent to approximately HK\$16,896,000).

THE AGREEMENT

Date

14 December 2017 (after trading hours of the Stock Exchange)

Parties

Vendor: Shenzhen Coastal

Purchaser: Shum Yip Southern Land

Shenzhen Coastal is an investment holding company and a wholly-owned subsidiary of the Company.

Shum Yip Southern Land is principally engaged in property investment and development and a wholly-owned subsidiary of SIL.

As at the date of this announcement, SIL holds 631,092,857 Shares, representing approximately 15.08% of the equity interests of the Company, and is therefore a connected person of the Company by virtue of being a substantial Shareholder. Shum Yip Southern Land, being a wholly-owned subsidiary of SIL, is an associate of the substantial Shareholder and therefore a connected person of the Company.

Assets to be dispose of

Pursuant to the Agreement, Shenzhen Coastal has agreed to sell and Shum Yip Southern Land has agreed to acquire the Sale Capital. The Sale Capital represents 30% of the registered capital of Huizhou Shum Yip.

Consideration

The Consideration of RMB15,000,000 (equivalent to approximately HK\$16,896,000) for the sale and purchase of the Sale Capital shall be payable by Shum Yip Southern Land to Shenzhen Coastal:

- (1) as to RMB10,000,000 (equivalent to approximately HK\$11,264,000) in cash within five business days after the date of the Agreement; and
- (2) the balance of RMB5,000,000 (equivalent to approximately HK\$5,632,000) in cash within five business day after completion of the change of business registration procedures for the transfer of the Sale Capital.

The Consideration has been arrived at after arm's length negotiations between the parties with reference to the total registered capital of Huizhou Shum Yip of RMB50,000,000.

Completion

Completion shall take place after completion of the change of business registration procedures for the transfer of the Sale Capital.

Upon Completion, Huizhou Shum Yip will no longer be an indirect associated company of the Company.

INFORMATION ON HUIZHOU SHUM YIP

Huizhou Shum Yip was established on 5 April 2007 in the PRC as a limited liability company with registered capital of RMB50,000,000 and principally engaged in property development and provision of construction services. As at the date of this announcement, Huizhou Shum Yip is held as to 51% by Shum Yip Southern Land, as to 30% by Shenzhen Coastal and as to 19% by Shum Yip Investment and its principal assets comprise of (a) the Huizhou Project with two parcels of land at Huizhou City, Guangdong Province, the PRC with a total site area of approximately 153,240.6 sq.m. for a term of 70 years expiring on 12 October 2077 for residential use or 40 years expiring on 12 October 2047 for commercial use; and (b) two residential units at Jinhui Hujin Garden, Huicheng District, Huizhou City, Guangdong Province, the PRC with GFA of approximately 325.66 sq.m..

The Huizhou Project is situated at Huicheng District Huizhou City, Guangdong Province, the PRC which is near to the Huizhou West Railway Station and is being developed into a residential development in three phases with a total GFA of approximately 372,077 sq.m.. Phase I has a site area of approximately 38,993.5 sq.m. and GFA of approximately 135,893 sq.m. was expected to be available for pre-sale in early 2013 and the development was planned to be completed in 2016. However, the construction of Phase I has been delayed with only site formation and foundation work completed as at the date of this announcement. Phase I is currently in the progress of superstructure works and the whole development of Phase I has been rescheduled that the expected completion date is still uncertain as at the date of this announcement. The development plan of Phase II and Phase III, with a total site area of approximately 114,247.1 sq.m. and GFA of approximately 236,184 sq.m., will be fixed as the development goes onwards.. Furthermore, Huizhou Shum Yip had signed an agreement to construct affordable houses with a site area of approximately 20,018 sq.m. and GFA of approximately 62,532 sq.m. on a parcel of land adjacent to the Huizhou Project on behalf of 惠州市住房和城鄉規劃建設局 (Huizhou City Construction Bureau of Housing and Urban Planning). The whole affordable houses development was completed and delivered in the first quarter of 2014. The two residential units at Jinhui Hujin Garden are being held by Huizhou Shum Yip for self-occupation.

Set out below is a summary of the audited financial information of Huizhou Shum Yip as extracted from its audited financial statements prepared under the generally accepted accounting principles in the PRC for the years ended 31 December 2015 and 2016.

	For the year ended 31 December 2015 <i>RMB'000</i>	For the year ended 31 December 2016 <i>RMB'000</i>
Turnover	2,114	–
Loss before tax	(2,088)	(14,782)
Loss after tax	(2,088)	(14,782)

As a result of the Disposal, the Directors expect that the Group would record an unaudited gain on the Disposal of approximately RMB4,713,000 (equivalent to approximately HK\$5,309,000). Such unaudited gain is estimated based on the gross proceeds from the Disposal of RMB15,000,000 (equivalent to approximately HK\$16,896,000) less the Group's share of net assets of the 30% equity interests in Huizhou Shum Yip of approximately RMB8,716,000 (equivalent to approximately HK\$9,817,000) as at 31 March 2017 and taxes. The actual gain on the Disposal may be different from the above and will be determined based on the financial position of Huizhou Shum Yip on the date of Completion and the final tax expenses to be charged on the Disposal. The Board intends to apply the net proceeds from the Disposal as general working capital of the Group.

REASONS FOR AND BENEFITS OF THE DISPOSAL

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

Taking into account the ongoing delay in the construction and the uncertainty in the expected completion date of the Huizhou Project, the Directors believe that the proposed Disposal represents a good opportunity for the Company to realise its investment in Huizhou Shum Yip with an unaudited gain of approximately RMB4,713,000 (equivalent to approximately HK\$5,309,000). The Disposal will allow the Group to redeploy its resources to other investment opportunities when arise.

Based on the above, the Board (including the independent non-executive Directors) consider that the Disposal are in the interests of the Company and the Shareholders as a whole and the terms thereof are fair and reasonable.

LISTING RULES IMPLICATIONS

As at the date of this announcement, SIL holds 631,092,857 Shares, representing approximately 15.08% of the equity interests of the Company, and is therefore a connected person of the Company by virtue of being a substantial Shareholder. Shum Yip Southern Land, being a wholly-owned subsidiary of SIL, is an associate of the substantial Shareholder and therefore a connected person of the Company. Accordingly, the Disposal will constitute a connected transaction for the Company under Chapter 14A of the Listing Rules and is exempted from the circular, independent financial advice and shareholders' approval requirements.

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 Chapter 14 of the Listing Rules.

As Mr. Lu Jiqiang and Mr. Zhu Guoqiang were nominated by SIL as non-executive Directors, they have abstain from voting on the Board resolutions approving the Disposal. Save as disclosed above, none of the other Directors have a material interest in the Disposal.

DEFINITIONS

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

“Agreement”	the sale and purchase agreement dated 14 December 2017 and entered into between Shenzhen Coastal and Shum Yip Southern Land in relation to the Disposal
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	board of Directors
“Business Day”	a day (other than Saturday, Sunday and public holiday) on which licensed banks in the PRC are generally open for business
“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 (stock code: 1124)
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Agreement
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	the total consideration for the disposal of the Sale Capital
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Sale Capital by Shenzhen Coastal to Shum Yip Southern Land pursuant to the terms and conditions of the Agreement
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Huizhou Project”	two parcels of land at Huizhou City, Guangdong Province, the PRC with a total site area of approximately 153,240.6 sq.m. for a term of 40 years expiring on 12 October 2047 for commercial use or 70 years expiring on 12 October 2077 for residential use, which is being developed into a residential development in three phases with a total GFA of approximately 372,077 sq.m.
“Huizhou Shum Yip”	Huizhou Shum Yip Southern Land Company Limited* (惠州深業南方地產有限公司), a company established in 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 purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Sale Capital”	30% of the registered capital of Huizhou Shum Yip
“Share(s)”	ordinary share(s) of par value of HK\$0.10 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shenzhen Coastal”	Shenzhen Coastal Property Investment Limited* (深圳沿海國投置業有限公司), a company established in the PRC and a wholly-owned subsidiary of the Company and an investment holding company
“Shum Yip Investment”	Shum Yip Investment (Shenzhen) Co., Ltd.* (深業控股(深圳)有限公司), a company established in the PRC and a wholly-owned subsidiary of SIL
“Shum Yip Southern Land”	Shum Yip Southern Land (Holdings) Co., Ltd* (深業南方地產(集團)有限公司), a company established in the PRC and a wholly-owned subsidiary of SIL

“SIL”	Shenzhen Investment Limited, a company incorporated in Hong Kong with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 604), being a substantial Shareholder
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“sq.m.”	square metre(s)
“%”	per cent.

For the purpose of this announcement, unless otherwise indicated, conversion of RMB into HK\$ is calculated at the approximate exchange rate of HK\$1.00 to RMB0.8878. 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 order of the Board
Coastal Greenland Limited
Jiang Ming
Chairman

Hong Kong, 14 December 2017

As at the date of this announcement, the Board comprises Mr. Jiang Ming, Mr. Tao Lin, Mr. Xia Xianglong and Dr. Li Ting as executive Directors, Mr. Lu Jiqiang and Mr. Zhu Guoqiang as non-executive Directors and Mr. Wong Kai Cheong, Mr. Yang Jiangang and Mr. Huang Xihua as independent non-executive Directors.

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