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## **COASTAL GREENLAND LIMITED**

**沿海綠色家園有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1124)**

### **VERY SUBSTANTIAL DISPOSAL IN RELATION TO THE DISPOSAL OF 70% EQUITY INTERESTS IN A WHOLLY OWNED SUBSIDIARY AND RESUMPTION OF TRADING**

#### **THE DISPOSAL**

On 3 August 2016 (after trading hours of the Stock Exchange), the Vendors, the Target Company and the Purchaser entered into the Disposal Agreement, pursuant to which the Vendors conditionally agreed to transfer 70% equity interests in the Target Company to the Purchaser for a total consideration of RMB875 million (equivalent to approximately HK\$1,029.4 million), which is payable as follows:

- (i) cash deposit in the sum of RMB100 million (equivalent to approximately HK\$117.6 million) and the first instalment of the Consideration in the sum of RMB337.5 million (equivalent to approximately HK\$397.1 million) shall be payable by the Purchaser to Shanghai Coastal within 5 days after the date of signing of the Disposal Agreement; and
- (ii) RMB437.5 million (equivalent to approximately HK\$514.7 million) shall be payable by the Purchaser to the Vendors within 5 days after the date of Completion.

Preferred Profits of RMB1,834 million (equivalent to approximately HK\$2,157.6 million) shall be payable by the Purchaser to Coastal Wuhan within 24 months after the date of Completion according to the payment schedule pursuant to the Disposal Agreement.

Completion of the Disposal Agreement is conditional upon passing by the Shareholders at a general meeting of the Company of the ordinary resolution(s) to approve the Disposal Agreement and the transactions contemplated thereunder.

#### **LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios set forth under Rule 14.07 of the Listing Rules in respect of the Disposal is 75% or more, the Disposal constitutes a very substantial disposal for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. The SGM will be convened and held for the Shareholders to consider and, if thought fit, to approve the Disposal.

## **GENERAL**

A circular containing, among other things, details of the Disposal Agreement and the Target Company, the financial information of the Group, the financial information of the Target Company, the notice convening the SGM and other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before Friday, 30 September 2016, so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

**Completion of the Disposal is conditional upon the satisfaction of the condition set out in the paragraph headed “Condition for the Disposal Agreement taking effect” in this announcement, being the approval of the Disposal Agreement and the transactions contemplated thereunder by the Shareholders at the SGM. Accordingly, the Disposal may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company.**

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange has been halted from 9:53 a.m. on Thursday, 4 August 2016 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:00 a.m. on Tuesday, 9 August 2016.

## **INTRODUCTION**

On 3 August 2016 (after trading hours of the Stock Exchange), the Vendors, the Target Company and the Purchaser entered into the Disposal Agreement, pursuant to which the Vendors conditionally agreed to transfer 70% equity interests in the Target Company to the Purchaser for a total consideration of RMB875 million (equivalent to approximately HK\$1,029.4 million).

## **THE DISPOSAL AGREEMENT**

### **Date**

3 August 2016

### **Parties**

Vendors	:	Coastal Greenland Development (Wuhan) Ltd. Shanghai Coastal Greenland Real Estate Ltd.
Target Company	:	Tianjin Harmonious Realty Development Co., Limited
Purchaser	:	Tianjin Vanke Real Estate Company Limited

Coastal Wuhan is a company established in the PRC with limited liability. It is a wholly-owned subsidiary of the Company and is principally engaged in property development. As at the date of this announcement, Coastal Wuhan is holding 61.87% equity interests in the Target Company.

Shanghai Coastal 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. As at the date of this announcement, Shanghai Coastal is holding 38.13% equity interests in the Target Company.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, (i) the Purchaser is a company established in the PRC with limited liability and is principally engaged in property development; and (ii) the Purchaser and its ultimate beneficial owner(s) are Independent Third Parties.

### **Assets to be disposed**

Pursuant to the Disposal Agreement, Coastal Wuhan shall dispose of its 31.87% interests in the Target Company and Shanghai Coastal shall dispose of its 38.13% interests in the Target Company, representing in aggregate 70% of the equity interests in the Target Company to the Purchaser, upon Completion. After the Disposal, the Target Company will be owned as to 70% by the Purchaser and 30% by Coastal Wuhan.

### **Consideration**

The Consideration is RMB875 million (equivalent to approximately HK\$1,029.4 million), which is payable as follows:

- (i) cash deposit in the sum of RMB100 million (equivalent to approximately HK\$117.6 million) and the first instalment of the Consideration in the sum of RMB337.5 million (equivalent to approximately HK\$397.1 million) shall be payable by the Purchaser to Shanghai Coastal within 5 days after the date of signing of the Disposal Agreement; and
- (ii) RMB437.5 million (equivalent to approximately HK\$514.7 million) shall be payable by the Purchaser to the Vendors within 5 days after the date of Completion.

Preferred profits of RMB1,834 million (equivalent to approximately HK\$2,157.6 million) shall be payable by the Purchaser to Coastal Wuhan within 24 months after the date of Completion according to the payment schedule pursuant to the Disposal Agreement.

As at 30 June 2016, the unaudited net asset value of the Target Company was approximately RMB1,249.1 million (equivalent to approximately HK\$1,461.5 million). The Consideration was determined after arms' length negotiations with reference to (i) the net asset value of the Target Company; (ii) the Preferred Profits to Coastal Wuhan as stated in the paragraph headed "Preferred Profits to Coastal Wuhan" below; (iii) the future prospect of the Target Company; and (iv) the expected returns of the existing property development projects undertaken by the Target Company.

The Directors consider each of the factors above is a fair and reasonable basis as (i) RMB875 million represents approximately 70% of the unaudited net asset value of the Target Company of RMB1,249.1 million as at 30 June 2016; (ii) the Preferred Profits provide a guaranteed return that recognise the preparatory work and initial investment efforts of the Group in the Project; and (iii) after the Completion, the 30% interests in the Target Company enables the Group to share the result of the Target Company in the future.

The Directors consider that the terms and conditions of the Disposal are fair and reasonable and are on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

## **Major terms of the Disposal Agreement**

### ***Preferred Profits to Coastal Wuhan***

Due to the preparatory work performed and investment by the Vendors, the Purchaser agreed to distribute profits (the “**Preferred Profits**”) up to RMB1,834 million (equivalent to approximately HK\$2,157.6 million) to Coastal Wuhan after the completion of the transfer of the Sale Capital in the following way:

- (i) a profit distribution by the Target Company to Coastal Wuhan in the amount of RMB600 per sq.m. of the gross floor area developable by the land sold by the Target Company within 5 days upon the receipt of proceeds from such sale;
- (ii) in the event Coastal Wuhan receives (a) less than RMB100 million of the Preferred Profits within 6 months after Completion; (b) cumulatively less than RMB300 million of the Preferred Profits within 12 months after Completion; (c) cumulatively less than RMB600 million of the Preferred Profits within 18 months after Completion; and (d) cumulatively less than RMB1,834 million of the Preferred Profits within 24 months after Completion, the Target Company shall make up the shortfall accordingly;
- (iii) in the event Jingdian, being engaged by the Target Company in relation to the construction of resettlement area of approximately gross floor area 0.6 million sq.m., fails to deliver the construction of such resettlement area to the Government within 2 years after Completion, the Target Company shall deduct from the Preferred Profits payable to Coastal Wuhan (a) 150% of the development cost for the incomplete portion of such resettlement area; and (b) any loss incurred by the Target Company as a result of the late delivery of such resettlement area to the Government; and
- (iv) in the event the Target Company does not have sufficient funds to distribute the Preferred Profits, the Purchaser shall be responsible to resolve the issue or to provide funds to the Target Company and the Target Company shall pay the amount as an interest-free loan to Coastal Wuhan, such interest-free loan shall offset against the Preferred Profits upon the Target Company receiving of the proceeds from each land sale. If the total distributable profits of the Target Company is less than RMB1,834 million upon the sale of all land in the Project, Coastal Wuhan shall be exempted from the obligation to repay the remaining balance of the interest-free loan due to the Target Company and the Purchaser shall then be obligated to settle such remaining balance.

The Preferred Profits of RMB1,834 million is determined based on the calculation of RMB600 per sq.m. for the gross floor area of the total saleable construction area in relation to the Project of approximately 3.1 million sq.m. while the profit distribution of RMB600 per sq.m. is determined based on the Directors’ view of expected investment return for the Project.

One parcel of land which was sold before the signing of the Disposal Agreement (the “**Previous Sale of Land**”). Coastal Wuhan and Shanghai Coastal shall be entitled to the profits arising from the Previous Sale of Land, which shall be payable by Target Company within 30 days upon the receipt of proceeds from the Previous Sale of Land by the Target Company.

The Directors are of the view that the arrangement that the Group has to bear 150% of the development cost for the incomplete portion of such settlement area and all loss incurred by the Target Company as a result of the late delivery of construction work as disclosed in (iii) above are fair and reasonable since the Group should be responsible for its decision solely made in relation to the appointment of Jingdian as its contractor. In case of any late delivery of construction work, Target Company is given the right to take legal action against or request remedies from Jingdian. The maximum exposure of the Group to any compensation cost in relation to the late delivery of construction work will be 150% of development cost for the incomplete portion and all loss incurred by the Target Company as mentioned in (iii) above.

#### ***Profit sharing arrangement after Completion***

Saved as the Preferred Profits to Coastal Wuhan as disclosed in the above paragraph, the profits of the Target Company shall be distributed among its shareholders in proportion to their shareholding. Accordingly, the Vendors and the Purchaser shall be entitled to 30% and 70% of profits of the Target Company, respectively. Such profits shall be distributed after the payment of Preferred Profits to Coastal Wuhan.

#### ***Default by the Purchaser***

In the event the Purchaser fails to make the relevant payments according to the payment schedule for the Consideration pursuant to the Disposal Agreement, for each overdue day, the Purchaser shall pay a penalty of 0.06% of the respective payments. If the number of overdue days exceed 60, the Vendors have the right to terminate the Disposal Agreement and the termination shall take effect from the date of written notice issued by the Vendors. Accordingly, the deposit paid by the Purchaser shall be forfeited and the Purchaser shall compensate any loss incurred by the Vendors.

#### ***Default by the Target Company***

In the event the Target Company fails to make payments of the Preferred Profits by the way of profits distribution, interest-free loan, or other means, for each overdue day, the Target Company shall pay a penalty of 0.06% of any unpaid amounts and the Purchaser shall be liable to such penalty.

#### ***Default by the Vendors***

Should the Vendors fail to transfer 70% equity interests in the Target Company to the Purchaser within 120 days from the date of signing of the Disposal Agreement (except for reasons due to the Government), for each overdue day, the Vendors shall pay a penalty of 0.06% of the Consideration to the Purchaser. If the number of overdue days exceeds 60, the Purchaser has the right to terminate the Disposal Agreement and the termination shall take effect from the date of written notice issued by the Purchaser. A penalty of RMB200 million (being two times of the cash deposit pursuant to the Disposal Agreement) and the first instalment in the sum of RMB337.5 million shall be payable by the Vendors within 7 days upon the date of receipt of the notice of termination.

### ***Condition for the Disposal Agreement taking effect***

Completion of the Disposal Agreement is conditional upon passing by the Shareholders at a general meeting of the Company of the ordinary resolution(s) to approve the Disposal Agreement and the transactions contemplated thereunder.

In the event that the above condition is not fulfilled on or before 120 days after the date of signing the Disposal Agreement (or such other date that may be agreed by the parties in writing), the Disposal Agreement shall lapse and none of the parties to the Agreement shall have any further obligations towards the other thereunder except for any antecedent breaches (if any).

### ***Completion***

Completion shall take place on the date the Purchaser having been registered as a 70% shareholder of the Target Company and upon fulfilment of the condition precedent under the Disposal Agreement.

### ***Other cooperation terms***

- (i) after Completion, the Purchaser shall be responsible for the debt optimization of the Target Company;
- (ii) after Completion, Coastal Wuhan, the Purchaser and the Target Company shall collaborate with the Target Company's creditors in relation to the provision of counter-guarantee or replacement of guarantee to ensure the guarantee borne by the Group is in proportion to its shareholding in the Target Company;
- (iii) if the Purchaser and its affiliates subsequently obtain a project in relation to the secondary development of the Project pursuant to the mutual agreement of both parties, Coastal Wuhan is entitled to a priority option to invest in such secondary development project in proportion to the equity interests between Coastal Wuhan and the Purchaser in the Target Company; and
- (iv) each of the Purchaser and Coastal Wuhan has the right to transfer 5% of their respective equity interests in the Target Company to other potential parties to develop the Project in the future and the separate agreements shall be signed in due course.

### **INFORMATION ON THE GROUP AND THE TARGET COMPANY**

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

The Target Company is a company established in the PRC in 2009 with limited liability and is principally engaged in property development. As at the date of this announcement, the Target Company is a wholly-owned subsidiary of the Company.

In 2010 and 2011, the Target Company entered into the Government Agreements with the Beicang Town Government, pursuant to which the Beichen District Government authorises the Target Company as the major responsible party for the investment, financing and construction in Beicang Town of a small town model project.

The Project is executed in Beicang Town, Beichen District, Tianjin, the PRC with a total site area of approximately 2.9 million sq.m., upon which a total gross floor area of approximately 4.3 million sq.m. would be developed. The resettlement construction area, the saleable construction area and the non-saleable ancillary facilities area comprise approximately 1.1 million sq.m., 3.1 million sq.m. and 0.1 million sq.m., respectively. The Project involves the demolition of a total of seven villages which comprise approximately 4,500 households and up to the date of the signing of the Disposal Agreement, the Target Company has coordinated with the Beicang Town Government, and completed the demolition of approximately 1,300 households.

In relation to the future transfer of saleable land, the Beichen District Government approved the detailed planning of the model town project in 2012, pursuant to which the tentative schedule for total saleable construction area for residential use and commercial use in relation to such model town project was approximately 3.1 million sq.m.. Furthermore, according to the Tianjin Development and Reform Commission, the total investment cost in relation to the construction part of the Project was estimated to be RMB10.7 billion. Pursuant to the Government Agreements, the expected demolition costs in relation to the Project was approximately RMB2.8 billion, of which any excess of the actual demolition costs required shall be paid by the Beicang Town Government. The total investment cost of RMB10.7 billion in relation to the construction part of the Project mainly consists of costs for the construction of resettlement area, long-term livelihood protection allowances for the resettled population, public facilities construction, underground construction and financing; while the demolition costs mainly consist of costs for demolition of land and land acquisition. The total investment cost of RMB10.7 billion will be borne by the Target Company while the demolition costs shall be borne by the Beicang Town Government.

Pursuant to the Government Agreements, (i) all land premium in relation to the sale of land from the Project net of the related cost and the related income of the Beicang Town Government and Beicang District Government shall be transferred to the Target Company; and (ii) the land revenue (including land costs and land premium) shall first be transferred from the Beichen District Government to the Beicang Town Government, then to the Target Company upon full payment of the consideration for the sales of land from the respective bidder.

The Beicang Town Government would provide funding of demolition costs while the scope of work of the Target Company is to provide a construction investment platform, including but not limited to financing, construction, fund management and debt repayment in relation to the Project. Except for the demolition costs that would be borne by the Beicang Town Government, all other costs in relation to the Project shall be borne by the Target Company. As at 31 July 2016, the Target Company has incurred total costs of RMB4,169.0 million in relation to the Project. The Group plans to deliver an aggregate of approximately 0.5 million sq.m. of saleable construction area by the end of year 2016 and the remaining part of the Project is expected to be completed by year 2020.

The total gross floor area of resettlement construction area is approximately 1.1 million sq.m. and as at the date of the signing of the Disposal Agreement, the Target Company has signed a construction agreement with Jingdian in relation to the construction of resettlement area of approximately 0.6 million sq.m. while the remaining approximately 0.5 million sq.m. of the resettlement area is expected to be tendered by the Target Company after Completion.

Set out below is extracted financial information of the Target Company as extracted from its unaudited management accounts prepared in accordance with the HKFRSs for the years ended 31 March 2015 and 2016:

	<b>For the year ended 31 March 2016 (unaudited) HK\$'000</b>	<b>For the year ended 31 March 2015 (unaudited) HK\$'000</b>
Revenue	—	—
Net profit before tax	—	—
Net profit after tax	—	—
	<b>As at 31 March 2016 (unaudited) HK\$'000</b>	<b>As at 31 March 2015 (unaudited) HK\$'000</b>
Total assets	5,441,293	6,616,782
Total liabilities	(3,942,238)	(5,671,072)
Net assets	1,499,055	945,710

Revenue and net profits of the Target Company were nil for the two years ended 31 March 2016 as the Project was still under development and there were no sales of land during the period while all expenses were capitalised.

Total assets of the Target Company were approximately HK\$6,616,782,000 and HK\$5,441,293,000 as at 31 March 2015 and 31 March 2016 respectively which were mainly made up of (i) properties under development (31 March 2015: HK\$5,885,466,000, 31 March 2016: HK\$5,298,088,000); and (ii) cash and bank balances (31 March 2015: HK\$689,602,000, 31 March 2016: HK\$29,644,000).

Total liabilities of the Target Company were approximately HK\$5,671,072,000 and HK\$3,942,238,000 as at 31 March 2015 and 31 March 2016 respectively which were mainly made up of (i) interest bearing bank and other borrowings (31 March 2015: HK\$4,008,383,000, 31 March 2016: HK\$3,841,662,000); and (ii) other payables in relation to the resettlement construction costs (31 March 2015: nil, 31 March 2016: HK\$14,401,000).



## **REASONS FOR AND BENEFIT OF THE DISPOSAL**

Taking into account the fact that (i) after the Disposal, the Group could divest the Target Company and deploy resources to other investment opportunities with better prospect; (ii) the Disposal could reduce the financial burden of the Group by reducing the debt due and owing by the Group at the Target Company level through the disposal of the Target Company and (iii) it is the Group's business strategy that it will continue to leverage its experience and expertise in property development business seeking to expand its property investment services and project management services business, the Directors are of the view that the Disposal provides a good opportunity for the Group to reallocate resources and management focus from the Target Company to other business of the project investment service and project management service of the Group.

Taking into consideration of the aforesaid, the Directors consider that the terms and conditions of the Disposal are on normal commercial terms and are fair and reasonable and that the Disposal is in the interests of the Company and the Shareholders as a whole.

## **FINANCIAL EFFECTS OF AND USE OF PROCEEDS FROM THE DISPOSAL**

Upon Completion, the Target Company will cease to be a subsidiary of the Group and the Company will be beneficially interested in 30% of the registered capital of the Target Company. The Target Company will be an associate of the Company after the Disposal.

Based on the unaudited net asset value of the Target Company (being approximately RMB1,249.1 million as reflected in the management accounts of the Target Company prepared in accordance with HKFRSs as at 30 June 2016), it is expected that the Company will realise an unaudited gain on the Disposal, being the difference between (i) the Consideration and the discounted present value of the Preferred Profits to be received; and (ii) the unaudited net asset value of the Target Company, for the financial year during which the Disposal is completed. With reference to the imputed interest rates, the gain on disposal is estimated to be approximately HK\$2,077 million (before taking into account the potential tax impact upon completion of the Disposal). Shareholders should note that the actual financial effect as a result of the Disposal to be recorded by the Group is subject to audit.

It is currently intended that the net proceeds will be applied as general working capital of the Group, for repayment of bank borrowings and, if suitable opportunities arise, for business development of the Group.

## **LISTING RULES IMPLICATIONS**

The entering into of the Disposal Agreement and the Disposal constitute a very substantial disposal of the Company and are subject to the reporting, 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 Disposal or are required to abstain from voting at the SGM of the Company to approve the Disposal.

## GENERAL

A circular containing, among other things, details of the Disposal Agreement and the Target Company, the financial information of the Group, the financial information of the Target Company, the notice convening the SGM and other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before Friday, 30 September 2016, so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

**Completion of the Disposal is conditional upon the satisfaction of the condition set out in the paragraph headed “Condition for the Disposal Agreement taking effect” in this announcement, including the approval of the Disposal Agreement and the transactions contemplated thereunder by the Shareholders at the SGM. Accordingly, the Disposal may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company.**

## RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted from 9:53 a.m. on Thursday, 4 August 2016 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:00 a.m. on Tuesday, 9 August 2016.

## DEFINITIONS

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

“Board”	the board of Directors
“Coastal Wuhan”	Coastal Greenland Development (Wuhan) Ltd., 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
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Disposal Agreement
“connected person(s)”	has the meaning ascribed to it under Chapter 14A of the Listing Rules
“Consideration”	the consideration for the Disposal amounting to RMB875 million (equivalent to approximately HK\$1,029.4 million)

“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Sale Capital by the Vendors to the Purchaser, on and subject to the terms and conditions of the Disposal Agreement
“Disposal Agreement”	the agreement dated 3 August 2016 entered into between the Vendors, the Target Company and the Purchaser in respect of the Disposal
“Government Agreements”	天津市北辰區北倉示範小城鎮項目投資建設合作協議 (the Tianjin Beichen District Beicang Town Model Small Town Investments and Construction Cooperation Agreement)* in 2010 and its supplemental agreement in 2011 entered between the Target Company and the Beichen District Government
“Group”	the Company and its subsidiaries
“HKFRSs”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) who are third parties independent of the Company and its connected persons
“Jingdian”	Jingdian Construction Co., Ltd, a company established in the PRC with limited liability and was a wholly owned subsidiary of the Company and was subsequently disposed of by the Group to an Independent Third Party on 31 March 2016 (for further details, please refer to the Company’s announcements dated 20 January 2016 and 31 March 2016)
“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 and Taiwan
“Preferred Profits”	the profits distributable to Coastal Wuhan by the Target Company pursuant to the Disposal Agreement
“Project”	the small town model project cooperatively executed by the Target Company and Beichen District Government in Beicang Town, Beichen District, Tianjin, pursuant to the Government Agreements
“Purchaser”	Tianjin Vanke Real Estate Company Limited, an Independent Third Party

“Sale Capital”	70% of the registered capital of the Target Company
“SGM”	the special general meeting of the Company to be convened and held to consider and, if thought fit, approve the Disposal Agreement and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shanghai Coastal”	Shanghai Coastal Greenland Real Estate Ltd., a company established in the PRC with limited liability and a wholly owned subsidiary of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Tianjin Harmonious Realty Development Co., Limited, a company established in the PRC on 3 December 2009 with limited liability and a wholly owned subsidiary of the Company
“Vendors”	Coastal Wuhan and Shanghai Coastal
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“sq.m.”	square metres
“%”	per cent.

By Order of the Board  
**Coastal Greenland Limited**  
**Jiang Ming**  
*Chairman*

Hong Kong, 9 August 2016

*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 RMB0.85. 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 (1) Mr. Jiang Ming, Mr. Tao Lin, Mr. Cai Shaobin and Mr. Xia Xianglong as executive Directors; (2) Mr. Lu Jiqiang and Dr. Dai Jingming as non-executive Directors; and (3) Mr. Chen Xiaotian, Mr. Wong Kai Cheong, Mr. Yang Jiangang and Mr. Huang Xihua as independent non-executive Directors.*

\* *For identification purposes only*