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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)**

**EXERCISE OF THE PUT OPTION  
BY THE JV PARTNER CONCERNING  
THE WUHAN LINGJIAO HU PROJECT**

**EXERCISE OF THE PUT OPTION**

This announcement is made under Rule 14.74(2) of the Listing Rules. Reference is made to the annual report of the Company for the year ended 31 March 2013 (the “**Annual Report 2013**”) in relation to (i) the disposal of 60% equity interests in Wuhan Zhisheng which was principally engaged in the Wuhan Lingjiao Hu Project; and (ii) the grant of Put Option, by the Group as the then seller to the JV Partner as the then purchaser in the relevant transaction. Pursuant to the shareholders’ agreement entered into between the Group and the JV Partner on 15 March 2013, the Put Option gives the JV Partner a right to sell and the Group an obligation to purchase the 60% equity interests in Wuhan Zhisheng at a buy-out-price, exercisable at any time after not less than 60% of the saleable area of the Wuhan Lingjiao Hu Project had been sold.

On 18 April 2018 (after trading hours of the Stock Exchange), the JV Partner exercised the Put Option whereby the Group is required to acquire the 60% equity interests in Wuhan Zhisheng at a buy-out-price of RMB366 million which is determined with reference to the current market price and arrived after arm’s length negotiation. After Completion, the Group will own an aggregate of 90% equity interests in Wuhan Zhisheng.

\* *For identification purpose only*

## **BACKGROUND OF THE PUT OPTION**

On 15 March 2013, the Group entered into a sales and purchase agreement with the JV Partner to dispose of 66.67% equity interests in Wise Top Investment, which is an investment vehicle holding 90% equity interests in Wuhan Zhisheng. After the disposal, the Group effectively transferred 60% equity interests in Wuhan Zhisheng to the JV Partner while retaining 30% effective equity interests in Wuhan Zhisheng. The Put Option was simultaneously granted to the JV Partner, pursuant to which the JV Partner is given a right to sell and the Group is obligated to purchase the 60% equity interests in Wuhan Zhisheng at a buy-out-price, exercisable at any time after not less than 60% of the saleable area of the Wuhan Lingjiao Hu Project had been sold.

Wuhan Zhisheng is a property development company established in the PRC and is developing the Wuhan Lingjiao Hu Project which is located at Huanzihu Village in Wuhan. As at the date of this announcement, 68% of the saleable area of the Wuhan Lingjiao Hu Project had been sold.

## **EXERCISE OF THE PUT OPTION**

On 18 April 2018 (after trading hours of the Stock Exchange), the JV Partner exercised the Put Option whereby the Group is required to acquire the 60% equity interests in Wuhan Zhisheng at a buy-out-price of RMB366 million. The exercise of the Put Option resulted in the entering into of the Sale and Purchase Agreement, pursuant to which Century East, a wholly-owned subsidiary of the Company, agreed to purchase and the JV Partner agreed to sell the Sale Shares at a Consideration of RMB366 million which is determined with reference to the current market price and arrived after arm's length negotiation and essentially represents the consideration for the 60% effective equity interests in Wuhan Zhisheng held by the JV Partner.

Following the Completion, the effective equity interests of the Group in Wuhan Zhisheng will increase from 30% to 90%. Wuhan Zhisheng will become a subsidiary of the Company and the assets, liabilities and results of which will be consolidated to the financial statements of the Group.

## **Principle terms**

**Date:** 18 April 2018 (after trading hours of the Stock Exchange)

### **The Sales and Purchase Agreement:**

Purchaser	(1) Century East
Seller	(2) The JV Partner
Target	(3) Wise Top Investment

Century East will acquire the Sale Shares, from the JV Partner at the Consideration of RMB366 million.

Wise Top Investment is a limited liability company established in Hong Kong and is the investment vehicle holding 90% equity interests in Wuhan Zhisheng. As at the date of this announcement, Wise Top Investment is held 33.33% by the Group and 66.67% by the JV Partner.

Century East is a limited liability company established in the British Virgin Islands and is a wholly owned subsidiary of the Company.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the JV Partner and its ultimate beneficial owner(s) are Independent Third Parties.

The JV Partner is a limited liability company established in Hong Kong. The principal activities of the JV Partner is real estate investment.

## FINANCIAL INFORMATION OF WUHAN ZHISHENG

Set out below is the unaudited financial information of Wuhan Zhisheng as extracted from its unaudited management accounts prepared in accordance with HKFRSs for the two years ended 31 March 2017:

	For the year ended	
	31 March	
	2017	2016
	<i>HK\$000</i>	<i>HK\$000</i>
	(unaudited)	(unaudited)
Revenue	1,321,294	–
Gross profit	85,490	–
Net profit (loss)	1,351	(16,206)
Net liabilities	(283)	(1,709)

## DEFINITIONS

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

“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
“Century East”	Century East Group Limited (恒華集團有限公司), a company incorporated in the British Virgin Islands with limited liability and directly wholly-owned by 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 acquisition of the Sale Shares arising from the exercise of the Put Option which shall take place on the 2nd Business Day following the satisfaction of conditions among others, the settlement of first installment to the JV Partner amounting to RMB15,000,000 and shall be no later than 30 April 2018
“connected person(s)”	has the meaning ascribed to it under Chapter 14A of the Listing Rules
“Consideration”	The buy-out-price of RMB366 million representing the consideration for 60% effective equity interests in Wuhan Zhisheng
“Director(s)”	director(s) of the Company
“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

“JV Partner”	Century Bridge HK101. Limited, being the joint venture partner interested in 66.67% equity interests in Wise Top Investment and thereby holding an effective equity interests of 60% in Wuhan Zhisheng
“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, the Macau Special Administrative Region of the PRC and Taiwan
“Put Option”	The put option granted by the Group to the JV Partner who is given the right to sell to the Group 60% equity interests in Wuhan Zhisheng at a buy-out-price, exercisable at any time after not less than 60% of the saleable area of the Wuhan Lingjiao Hu Project had been sold
“Sale Shares”	66.67% equity interests in Wise Top Investment
“Sale and Purchase Agreement”	the sale and purchase agreement dated 18 April 2018 entered into among the JV Partner, Wise Top Investment and Century East in relation to the sale and purchase of the Sale Shares
“Share(s)”	ordinary share(s) of HK\$0.1 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wise Top Investment”	Wise Top Investment (Group) Limited

“Wuhan Lingjiao Hu Project”	A property development project located at Huanzihu Village in Wuhan. As at the date of this announcement, 68% of the saleable area had been sold
“Wuhan Zhisheng”	武漢致盛集團有限公司 (Wuhan Zhisheng Group Co., Ltd.**), a company held as to 90% by Wise Top Investment and 10% by Mr. Zhang Runbin
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

\*\* *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.*

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

Hong Kong, 18 April 2018

*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 Jiangan and Mr. Huang Xihua as independent non-executive Directors.*