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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)

CONNECTED TRANSACTION

On 17 December 2009, the Vendor entered into the Sale and Purchase Agreement with the Purchaser in relation to the Acquisition of the Property for a cash consideration of RMB3,000,000 (equivalent to approximately HK\$3,409,000).

The Vendor is an executive Director and Coastal International Holdings Limited, a substantial Shareholder, is an associate of the Vendor. Pursuant to Chapter 14A of the Listing Rules, the Vendor is a connected person of the Company. The Acquisition contemplated thereunder the Sale and Purchase Agreement constitutes a connected transaction on the part of the Company under Chapter 14A of the Listing Rules. As each of the percentage ratios (other than the profits ratio) is less than 2.5%, the Acquisition is only subject to reporting and announcement requirements but is exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

THE SALE AND PURCHASE AGREEMENT

Date: 17 December 2009

Parties: Vendor: Jiang Ming

Purchaser: Shanghai Coastal Greenland Real Estate Ltd., a wholly owned subsidiary of the Company

The Vendor is an executive Director and Coastal International Holdings Limited, a substantial Shareholder, is an associate of the Vendor. Pursuant to Chapter 14A of the Listing Rules, the Vendor is a connected person of the Company.

Asset to be acquired:

The Property was acquired by the Vendor in 1993 at the cost of US\$562,210 (equivalent to approximately HK\$4,357,000). Pursuant to the Sale and Purchase Agreement, the Vendor agreed to sell and the Purchaser agreed to acquire the Property subject to and upon the terms and conditions of the Sale and Purchase Agreement.

The Property is a residential unit in Shanghai Golden Bridge Mansion located in Changning District, Shanghai, the PRC. The Property has an aggregate gross floor area of approximately 214.79 sq.m.

As informed by the Vendor, the Property has been leased out and generates a monthly rental income of RMB10,624 (equivalent to approximately HK\$12,072) from 21 February 2002 to 21 February 2008 and a monthly rental income of RMB10,000 (equivalent to approximately HK\$11,363) from 1 May 2009. The annual rental income for each of the two years ended 31 March 2009 is RMB116,864 (equivalent to approximately HK\$132,792) and nil respectively.

Consideration:

The consideration for the Property is RMB3,000,000 (equivalent to approximately HK\$3,409,000) which will be settled by the Purchaser in cash upon delivery of possession of the Property to the Purchaser.

The consideration for the Property, representing approximately RMB13,967 (equivalent to approximately HK\$15,871) per sq.m. of gross floor area, was arrived at after arm's length negotiations between the parties to the Sale and Purchase Agreement on normal commercial terms after having taken into account the market price of the Property with comparison based on market prices of comparable properties of similar size, character and location.

In the Board meeting (which the Vendor has abstained from voting), the Directors (including the independent non-executive Directors) consider that the consideration for the Acquisition is fair and reasonable as the amount has taken into account the market price of the Property. The Directors (including the independent non-executive Directors) consider that the terms of the Sale and Purchase Agreement are fair and reasonable and in normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Completion

Completion shall take place on or before 15 January 2010. The Vendor shall deliver the possession of the Property to the Purchaser.

REASON FOR THE ACQUISITION

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

The Group currently holds commercial units with total gross floor area of approximately 3,003 sq.m. and approximately 1,302 sq.m. in Shanghai Golden Bridge Mansion for investment and self use purposes respectively. In view of the recent economic performance in Shanghai, in particular, the quick rebound of the property market, the Directors (including the independent non-executive Directors) believe that future prospect of the property market in Shanghai is promising. The Acquisition will enable the Group to supplement its existing investment in the property market in Shanghai.

The Directors (including the independent non-executive Directors) consider that the terms of the Sale and Purchase Agreement are fair and reasonable so far as the interests of the Company and the Shareholders as a whole are concerned.

GENERAL

The Vendor is an executive Director and Coastal International Holdings Limited, a substantial Shareholder, is an associate of the Vendor. Pursuant to Chapter 14A of the Listing Rules, the Vendor is a connected person of the Company. The Acquisition contemplated thereunder the Sale and Purchase Agreement constitutes a connected transaction on the part of the Company under Chapter 14A of the Listing Rules. As each of the percentage ratios (other than the profits ratio) is less than 2.5%, the Acquisition is only subject to reporting and announcement requirements but is exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the Property subject to and upon the terms and conditions of the Sale and Purchase Agreement
“Board”	the board of Directors from time to time
“Company”	Coastal Greenland Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Stock Exchange
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Sale and Purchase Agreement
“connected person”	has the meaning ascribed to this term under the Listing Rules
“Director(s)”	the director(s), including the independent non-executive directors of the Company from time to time
“Group”	the Company and its subsidiaries from time to time
“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
“PRC”	the People's Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Property”	a residential unit in Shanghai Golden Bridge Mansion located at 2077 Yanan West Road, Changning District, Shanghai, the PRC

“Purchaser”	Shanghai Coastal Greenland Real Estate Ltd., a wholly foreign owned enterprise established in the PRC, a wholly owned subsidiary of the Company and the purchaser under the Sale and Purchase Agreement
“Sale and Purchase Agreement”	the agreement for sale and purchase of the Property dated 17 December 2009 and entered into between the Purchaser and the Vendor
“Shareholders”	the holders of the Shares from time to time
“Shares”	ordinary issued shares of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Jiang Ming, an executive Director and the vendor under the Sale and Purchase Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“sq.m.”	square metre(s)
“US\$”	United States dollars, the lawful currency of the United States of America

By order of the Board
Coastal Greenland Limited
Chan Boon Teong
Chairman

Hong Kong, 22 December 2009

For the purpose of this announcement, unless otherwise indicated, conversion of RMB and US\$ into HK\$ is calculated at the approximate exchange rate of RMB1.00 to HK\$1.1363 and US\$1.00 to HK\$7.75. 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 13 Directors. The executive Directors are Mr. Chan Boon Teong, Mr. Jiang Ming, Mr. Tao Lin, Mr. Cheng Wing Bor, Mr. Lin Chen Hsin, Mr. Wu Xin and Mr. Cai Shaobin. The non-executive Directors are Mr. Zheng Hong Qing, Mr. Guo Limin and Mr. Xu Ruxin. The independent non-executive Directors are Mr. Tang Lap Yan, Mr. Law Kin Ho and Mr. Wong Kai Cheong.

* *For identification purpose only*