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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)

**(1) MAJOR AND CONNECTED TRANSACTION; AND
(2) VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION**

Independent Financial Adviser



大有融資有限公司
MESSIS CAPITAL LIMITED

The Board is pleased to announce that on 16 October 2012 (after trading hours), (i) the Acquisition Purchaser entered into the Acquisition Agreement with the Acquisition Vendor in relation to the sale and purchase of the Huizhou Sale Shares and the Huizhou Sale Loan; and (ii) the Disposal Purchaser entered into the Disposal Agreement with the Disposal Vendors in relation to the sale and purchase of the Suzhou Sale Shares and the Suzhou Sale Loan.

The Circular containing, among other things, (i) further information on the Transactions; (ii) a letter from the Independent Board Committee to the Independent Shareholders; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee; and (iv) a notice of the SGM will be despatched to the Shareholders on or before 26 October 2012.

Reference is made to the announcement (the “**Announcement**”) dated 4 October 2012 and issued by Coastal Greenland Limited (the “**Company**”) in relation to (i) major and connected transaction; and (ii) very substantial disposal and connected transaction on the part of the Company. Unless otherwise stated, capitalised terms used herein shall bear the same meanings as those defined in the Announcement.

The Board is pleased to announce that on 16 October 2012 (after trading hours), (i) the Acquisition Purchaser entered into the Acquisition Agreement with the Acquisition Vendor in relation to the sale and purchase of the Huizhou Sale Shares and the Huizhou Sale Loan; and (ii) the Disposal Purchaser entered into the Disposal Agreement with the Disposal Vendors in relation to the sale and purchase of the Suzhou Sale Shares and the Suzhou Sale Loan.

The Board further announces that on 16 October 2012 (after trading hours):

- (a) each of Mr. Jiang and the Company as guarantor entered into a guarantee agreement respectively, pursuant to which each of Mr. Jiang and the Company agreed to guarantee to Shum Yip Investment and Shum Yip Land the performance of Suzhou Gaotong and Coastal Realty Investment of their obligations under the Disposal Agreement and the performance of Shenzhen Coastal of its obligation under the Acquisition Agreement;
- (b) Shenzhen Coastal as guarantor entered into a guarantee agreement, pursuant to which Shenzhen Coastal agreed to guarantee to Shum Yip Investment and Shum Yip Land the performance of Suzhou Gaotong and Coastal Realty Investment of their obligations under the Disposal Agreement;
- (c) Shenzhen Coastal entered into a share pledge agreement with Shum Yip Land, pursuant to which upon completion of the Acquisition Agreement, Shenzhen Coastal will charge the Huizhou Sale Shares to Shum Yip Land to secure the performance of Suzhou Gaotong and Coastal Realty Investment of their obligations under the Disposal Agreement; and
- (d) SIL as guarantor entered into a guarantee agreement, pursuant to which SIL agreed to guarantee to Suzhou Gaotong, Coastal Realty Investment and Shenzhen Coastal the performance of Shum Yip Land of its obligation under the Disposal Agreement and the performance of Shum Yip Investment of its obligation under the Acquisition Agreement.

The Circular containing, among other things, (i) further information on the Transactions; (ii) a letter from the Independent Board Committee to the Independent Shareholders; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee; and (iv) a notice of the SGM will be despatched to the Shareholders on or before 26 October 2012.

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

Hong Kong, 16 October 2012

As at the date of this announcement, the board of Directors comprises Mr. Chan Boon Teong, Mr. Jiang Ming, Mr. Tao Lin, Mr. Cheng Wing Bor, Mr. Lin Chen Hsin, Mr. Cai Shaobin, Mr. Zheng Hong Qing and Mr. Wang Jun as executive Directors, Mr. Lu Jiqiang and Mr. Dai Jingming as non-executive Directors and Mr. Tang Lap Yan, Mr. Law Kin Ho and Mr. Wong Kai Cheong as independent non-executive Directors.

* *For identification purposes only*