THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Coastal Greenland Limited**, you should at once hand this circular, together with the accompanying form of proxy to the purchaser or the transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities.

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)

VERY SUBSTANTIAL DISPOSAL IN RELATION TO THE DISPOSAL OF 100% EQUITY INTEREST IN A WHOLLY-OWNED SUBSIDIARY AND NOTICE OF SPECIAL GENERAL MEETING

Unless the context otherwise requires, all capitalised terms used in this circular have the meanings set out in the section headed "Definitions" of this circular.

A notice convening an SGM of Coastal Greenland Limited to be held at Suite 1712-16, 17th Floor, China Merchants Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong on 29 March 2016 at 2:00 p.m. or any adjournment thereof is set out on pages 52 and 53 of this circular. A proxy form for use in the SGM is enclosed. Whether or not you propose to attend the meeting, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for holding of the SGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

* *For identification purpose only*

8 March 2016

CONTENTS

In this circular, unless the context otherwise requires, the following expressions shall 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
"Coastal Realty"	Coastal Realty Investment (China) Limited, 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
"Debt"	the debt in the amount of RMB470,000,000 to RMB570,000,000 (equivalent to approximately HK$552,941,000 to HK$670,588,000) due and owing by Coastal Realty to the Target Company
"Director(s)"	director(s) of the Company
"Disposal"	the disposal of the Sale Shares by the Vendors to the Purchaser, on and subject to the terms and conditions of the Disposal Agreement
"Disposal Agreement"	the agreement dated 11 January 2016 entered into between the Vendors, the Target Company and the Purchaser in respect of the Disposal
"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
"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
"Latest Practicable Date"	7 March 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Ms. Yang"	Ms. Yang Jiong Xuan, the legal owner of 10% equity interests in the Target Company holding the 10% equity interests in the Target Company for Coastal Realty
"PRC"	the People's Republic of China, which, for the purpose of this announcement, shall exclude Hong Kong, Macau and Taiwan
"Purchaser"	Fujian Province Huiwu Construction Engineering Company Limited
"Remaining Group"	the Group excluding the Target Group after the Completion
"Sale Shares"	100% equity interest of the Target Company
"SFO"	Securities and Futures Ordinance
"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
"Shanghai Coastal"	Shanghai Coastal Commercial Investment Management Co. Ltd., a company established in the PRC with limited liability and a wholly owned subsidiary of the Company
"Share(s)"	ordinary share(s) of HK$0.1 each in the share capital of the Company

"Shareholder(s)"	the holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	Jingdian Construction Co. Ltd., a company established in the PRC with limited liability
"Target Group"	Target Company and its subsidiary
"Vendors"	Shanghai Coastal and Ms. Yang
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"RMB"	Renminbi, the lawful currency of the PRC
"USD"	United States dollars, the lawful currency of The United States of America
"%"	per cent.
"sq.m."	square metre(s)

* The English translation of Chinese names or words in this circular, where indicated, are included for information purpose only and should not be regarded as the official English translation of such Chinese names or words.

For the purpose of this circular, unless otherwise indicated, conversion of RMB into HK$ is calculated at the approximate exchange rate of HK$1 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.

COASTAL GREENLAND LIMITED
沿海綠色家園有限公司*

(Incorporated in Bermuda with limited liability)
(Stock Code: 1124)

Executive Directors:	*Registered office:*
Mr. Jiang Ming	Clarendon House
Mr. Tao Lin	2 Church Street
Mr. Cai Shaobin	Hamilton HM 11
Ms. Wang Hongmei	Bermuda
Non-executive Directors:	*Head office and principal place of business:*
Mr. Lu Jiqiang	Suite 1712-16, 17th Floor
Dr. Dai Jingming	China Merchants Tower
Independent non-executive Directors:	Shun Tak Centre
Mr. Chen Xiaotian	200 Connaught Road Central
Mr. Wong Kai Cheong	Hong Kong
Mr. Yang Jiangang	

8 March 2016

To the Shareholders

Dear Sir/Madam,

**VERY SUBSTANTIAL DISPOSAL
IN RELATION TO
THE DISPOSAL OF 100% EQUITY INTEREST
IN A WHOLLY-OWNED SUBSIDIARY
AND
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

On 11 January 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 100% equity interests in the Target Company to the Purchaser at nil consideration and a debt in the amount of RMB470,000,000 to RMB570,000,000 (equivalent to approximately HK$552,941,000 to HK$670,588,000) due and owing by Coastal Realty to the Target Company will be waived. Completion shall be conditional, among other things, upon the approval of the Disposal Agreement and the transactions contemplated thereunder by the Shareholders at the SGM.

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 constitute 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. To the best of the Directors' knowledge, information and belief and 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.

The purpose of this circular is to provide you with, among other things, (i) further details of the Disposal Agreement and the transactions contemplated therein; and (ii) a notice of the SGM.

THE DISPOSAL AGREEMENT

Reference is made to the Company's announcement dated 20 January 2016 in relation to the Disposal.

On 11 January 2016 (after trading hours of the Stock Exchange), the Vendors, the Target Company and the Purchaser entered into the Disposal Agreement, the principal terms of which are set out below:

Date

11 January 2016

Parties

Vendors:	Shanghai Coastal Commercial Investment Management Co. Ltd.
	Ms. Yang Jiong Xuan
Target Company:	Jingdian Construction Co. Ltd.
Purchaser:	Fujian Province Huiwu Construction Engineering Company Limited

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. Shanghai Coastal is holding 90% equity interests in the Target Company.

Ms. Yang is the legal owner of 10% equity interests in the Target Company and is holding the 10% equity interests in the Target Company for Coastal Realty. Coastal Realty 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.

Assets to be disposed of

Pursuant to the Disposal Agreement, the Vendors shall dispose of the Sale Shares, representing 100% of the equity interests in the Target Company, upon Completion.

Consideration

No cash consideration is payable by the Purchaser to the Vendors under the Disposal Agreement.

As at the date of this circular, Coastal Realty is indebted to the Target Company in the amount of RMB1,636,100,806 (equivalent to approximately HK$1,924,824,000). The parties to the Disposal Agreement have agreed that the Target Company shall waive the debt in the amount of RMB470,000,000 to RMB570,000,000 (equivalent to approximately HK$552,941,000 to HK$670,588,000) due and owing by Coastal Realty to the Target Company. The exact amount of the Debt to be waived will be ascertained upon completion of the due diligence exercise on the Target Company by the Purchaser.

As at 30 September 2015, the unaudited net asset value of the Target Group was approximately RMB223,880,000 (equivalent to approximately HK$272,755,000). The debt in the range of RMB470,000,000 to RMB570,000,000 (equivalent to approximately HK$552,941,000 to HK$670,588,000) owed by Coastal Realty to be waived upon completion of the Disposal was determined with reference to the price-to-book ratio (the "**P/B Ratio(s)**") of comparable construction companies listed on the Stock Exchange with considerable operating segment in the PRC (i.e. over 90% of the revenue is generated in the PRC) (the "**Comparable Companies**"). The P/B Ratios of the Comparable Companies as at the date of entering into the Disposal Agreement (i.e. 11 January 2016) are detailed as follows:

Company name (stock code)	**Principal business**	**Market Capitalization (a)** *(HK$'000)*	**Net asset value (b)** *(Note)* *(HK$'000)*	**P/B ratio (c) = (a) / (b)**
China Saite Group Co. Ltd. (0153)	Steel structure construction solution services	1,365,460	1,508,821	0.90
Broad Greenstate International Co. Ltd. (1253)	Landscape construction services	5,257,519	390,431	13.47
Metallurgical Corporation of China Ltd. (1618)	Engineering and construction, property development	5,512,320	55,690,891	0.10
China Aluminum International Engineering Corp. Ltd. (2068)	Engineering and construction contracting	759,004	7,891,453	0.10

Company name (stock code)	Principal business	Market Capitalization (a) (HK$'000)	Net asset value (b) (Note) (HK$'000)	P/B ratio (c) = (a) / (b)
Baoye Group Co. Ltd. (2355)	Construction services, development and sale of properties	1,310,766	7,030,800	0.19
Earthasia International Holdings Ltd. (6128)	Landscape architecture	466,200	185,989	2.51
			Maximum	13.47
			Minimum	0.10
			Average	2.88
Target Group				
– *Lower boundary*		552,941 (RMB470,000)	272,755	2.03
– *Upper boundary*		670,588 (RMB570,000)	272,755	2.46

Source: the website of the Stock Exchange (http://www.hkex.com.hk)

Note: The net asset values of the Comparable Companies are based on the latest available audited financial statements for the financial year preceding the date of entering into the Disposal Agreement (i.e. 11 January 2016).

The implied P/B Ratio of the Target Group represented by the amount of debt to be waived ranged from 2.03 to 2.46 which are within the range of that of the Comparable Companies. Notwithstanding the wide spread of P/B Ratios of the Comparable Companies due to the fact that the business, operation and prospects of each of these companies are not identical, the Directors consider that the Comparable Companies represent fair and representative samples to serve as market reference in assessing the fairness of the amount of debt to be waived in the Disposal. In view of (i) the implied P/B Ratio of 2.03 represented by the lower boundary of debt to be waived outperforms most of the P/B Ratios of the Comparable Companies; and (ii) the implied P/B Ratio of 2.46 represented by the upper boundary approximates to the average of 2.88, the Directors consider that the range is justifiable after arms' length negotiations with the Purchaser.

In determining the amount of debt to be waived, the Directors also take into consideration the projects currently undertaken by the Target Group. As at the Latest Practicable Date, the projects on hand are expected to be completed by 2020. Upon Completion, the Target Company will cease to be a subsidiary of the Company. The operating results of the Target Group will no longer be consolidated into the Group, thus the expected returns on the aforementioned construction projects undertaking by the Target Group will be recognized as expenses to the Group instead of being eliminated in consolidation. The Group expects that returns on the existing projects undertaken by the Target Group will continue to deteriorate due to rise in construction costs that squeeze the margin. Accordingly, the Directors are of the view that a discount to the amount of debt to be waived as reflected by the implied P/B Ratios represented by the boundaries being slightly lower than that of the average of the Comparable Companies is necessary to enhance the attractiveness of the Target Group.

The Directors consider the lower boundary of RMB470,000,000 to be fair and reasonable after taking into account (i) the historical business and financial performance of the Target Company; (ii) the future prospect of the Target Company; and (iii) the expected returns of the existing construction projects undertaken by the Target Company.

Since the Purchaser has to conduct due diligence exercise to evaluate the financial status of the Target Company, the exact amount of the Debt to be waived could only be ascertained at a later stage by the Purchaser and the Vendors based on the findings and results of the due diligence exercise. A debt waiving determination agreement to ascertain the final and exact amount of the Debt to be waived will be entered into by the Vendors, the Target Company and the Purchaser upon completion of the due diligence exercise. As at the Latest Practicable Date, the due diligence exercise is still in progress. The final amount of Debt to be waived will be settled within the agreed range and may rise above the lower boundary depending on the Purchaser's assessment of financial status and perception of the prospects of the Target Group including but not limited to the state of equipment and fixed assets possessed by the Target Group and the profitability of the existing projects undertaken by the Target Group. The Company will announce the results and the ascertained amount of debt to be waived once the due diligence exercise is completed.

The consideration for the Disposal was determined after arms' length negotiations. The Directors confirm 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.

Conditions Precedent

Completion of the Disposal Agreement is conditional upon (i) the satisfaction of result of due diligence on the Target Company by the Purchaser; and (ii) the passing by the Shareholders at 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 31 March 2016 (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 Disposal Agreement shall have any further obligations towards the other thereunder except for any antecedent breaches (if any).

Completion

Completion shall take place on the third Business Day upon fulfilment of the conditions precedent under the Disposal Agreement.

INFORMATION OF THE PURCHASER

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

INFORMATION OF THE TARGET COMPANY

The Target Company is a company established in the PRC with limited liability. The Target Group consists of the Target Company and its subsidiary principally engaged in construction and represents the entire segment of the Group's construction business. The Target Company provides construction services to the Group and associates and joint ventures of the Group for certain property development projects. Currently, the Target Company is the main contractor for certain property development projects of the Group and engaged various subcontractors in performing construction services. As the main contractor, the Target Company is responsible for the administration and overall supervision of all construction works involved in the construction project. The Target Company would not carry out construction work by itself and would delegate all construction work tasks to different subcontractors. After Completion, the Group will evaluate the construction project and may engage new main contractor through tender for other new property development.

The details of major construction projects undertaken by the Target Group are set out below:

Construction projects	Usage	Interest in the development attributable to the Group
Beijing Bay Project Phase II	Residential	40%
Chongqing Coastal Silo City	Residential	35%
Foshan Coastal Garden	Residential	20%
Tianjin Project	Class I Land Development	100%
Wuhan Silo City Phase VI	Residential	100%

As at the Latest Practicable Date, the Target Company is an indirect wholly-owned subsidiary of the Company. The Target Company will cease to be a subsidiary of the Group after completion of the Disposal and none of the registered capital of the Target Company will be held by the Group.

INFORMATION OF THE GROUP AND THE REMAINING GROUP AND REASONS FOR THE DISPOSAL

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 construction and project investment services.

Since the second half of 2014, China's economy has been vibrant, facing the challenge of consolidation amidst uncertainties in the global market. The slowing down of the gross domestic product growth rate in China gave rise to a sluggish economic outlook and resulted in an overall decline in property price level in the PRC property market over the past two years. The Chinese government attempted to stimulate the property market by taking various relaxation measures including the release of more liquidity into the market and loosening up restrictions on house purchase to restore market confidence. Nevertheless, the Group and all other property developers continue to face challenging environment due to intense competition within the industry and the volatile real estate market in the PRC.

Taking into account the fact that (i) the PRC construction industry is facing a downturn due to the slowdown of real estate market in the PRC; (ii) the construction business is capital intensive and the return on capital is deteriorating; (iii) after the Disposal, the Group could divest the Target Company and deploy resources to other investment opportunities with better prospect; (iv) the revenue (after inter-segment elimination) contributed by the Target Company amounted to approximately HK$369.5 million, HK$20.5 million and HK$29.1 million, representing approximately 13.3%, 1.0% and 9.4% of the Group's total revenue for each of the two years ended 31 March 2015 and six months ended 30 September 2015, respectively; and (v) 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 construction business is an ancillary business complementing the Group's property development business which can be undertaken by external suppliers, and hence is not a core business of the Group and the Disposal would not have a material adverse impact on the remaining business of the Group.

Notwithstanding that no proceeds will be received by the Group under the Disposal, the debt in the amount of RMB470,000,000 to RMB570,000,000 (equivalent to approximately HK$552,941,000 to HK$670,588,000) will be waived upon Completion, the Board considers that 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 the waiver of the debt due by Coastal Realty to the Target Company. Moreover, due to the fact that there is keen competition in construction projects in the PRC, the return on capital of the construction business is deteriorating. The Group considered that further investment in the construction business is not profitable and the Disposal provides a good opportunity for the Group to reallocate resources and management focus from the Target Company to new business segment of 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.

Upon Completion, the Target Company will cease to be a subsidiary of the Company and the Remaining Group will cease to engage in any construction business and focus on property development, property investment, provision of property management service, project management service and project investment service.

FINANCIAL INFORMATION AND IMPACT OF THE DISPOSAL

As at 30 September 2015, the Target Group had an unaudited total assets and net assets of approximately HK$3,028,269,000 and HK$272,755,000 respectively. Total assets of the Target Company of approximately HK$3,028,269,000 as at 30 September 2015 were mainly made up of (i) amounts due from intermediate holding company of HK$2,115,107,000 as a result of intercompany loan provided by the Target Company to Coastal Realty for the general working capital of the Group; (ii) amounts due from fellow subsidiaries of HK$396,857,000 and amounts due from related parties of HK$412,878,000 as result of amount billed for service performed by the Target Company; and (iii) completed properties for sale of HK$17,877,000 representing a car park development. Total liabilities of the Target Company were approximately HK$2,755,514,000 as at 30 September 2015 which were mainly made up of (i) amounts due to fellow subsidiaries of HK$1,511,011,000 representing receipts in advance from the Group before the related work of the construction services is commenced by the Target Company; (ii) trade payables of HK$636,775,000 and (iii) interest-bearing bank and other borrowings of HK$560,726,000. Selected unaudited financial information of the Target Group is set out as below:

	For the six months ended 30 September 2015 *(unaudited)* *HK$'000*	**For the year ended 31 March 2015** *(unaudited)* *HK$'000*	**For the year ended 31 March 2014** *(unaudited)* *HK$'000*
Revenue	48,665	1,305,000	743,426
(Loss)/profit before tax	(37,550)	736	14,196
Loss after tax	(37,792)	(24,026)	(1,092)

Based on the unaudited net asset value of the Target Group as at 30 September 2015, it is estimated that the Company will record a gain ranging from approximately RMB184,590,000 to RMB259,590,000 (equivalent to approximately HK$217,165,000 to HK$305,400,000) from the Disposal, and the basis of calculation is as follows:

	Lower Boundary	**Upper Boundary**
	RMB'000	*RMB'000*
Amount of debt to be waived	470,000	570,000
Less:		
Net assets to be disposed of	223,880	223,880
Tax	61,530	86,530
Gain on Disposal	184,590	259,590

The financial effects to the Group upon completion of the Disposal are expected to be:

(i) an increase in the net assets ranging from approximately RMB184,590,000 to RMB259,590,000 (equivalent to approximately HK$217,165,000 to HK$305,400,000);

(ii) an increase in profit attributable to the equity holders of the Company ranging from approximately RMB184,590,000 to RMB259,590,000 (equivalent to approximately HK$217,165,000 to HK$305,400,000);

(iii) an increase in the deposits paid of HK$1,511,011,000 to the Target Company (included in amounts due to fellow subsidiaries of HK$1,511,011,000 as set out in the financial information of the Target Group as at 30 September 2015) in relation to the construction services provided by the Target Company to the Group and the deposits paid would be recognised as properties under development by the Group with reference to the progress of construction service performed by the Target Company; and

(iv) an increase in interest-free payable balance ranging from HK$1,841,376,000 to HK$1,959,023,000 due to the Target Company (included in amount due from intermediate holding company of HK$2,115,107,000 and amounts due from fellow subsidiaries of HK$396,857,000 as set out in the financial information of the Target Group as at 30 September 2015 less the amount to be waived ranging from RMB470,000,000 to RMB570,000,000 (equivalent to approximately HK$552,941,000 to HK$670,588,000)) which would be settled by the Group's internal resources and/or loan financing. The balance will be settled progressively in accordance with the capital needs of the Target Company for providing the construction services to the Group and in line with the progress of existing projects undertaken by the Target Group which are expected to be completed by 2020.

Since the Target Company acts as a main contractor of certain property developments of the Group, it is an ordinary practice of the Group to advance a portion of construction payments to the Target Company in accordance with the main contractor contracts entered into between the Group and the Target Company. Due to the delay in progress of Tianjin Project deposits advanced by the Group are retained in the Target Company. For better use of funds and liquidity of the Group, the Group shift the funds from the Target Company to the subsidiaries of the Group in the form of amounts due from intermediate holding company and fellow subsidiaries as set out in the financial information of the Target Group. Having considered that the Target Company, as the main contractor of the Remaining Group, would require advance payments from the Remaining Group to fuel the progression of Tianjin Project upon Completion, the deposit paid of HK$1,511,011,000 would not be applied to offset the payable balance ranging from HK$1,841,376,000 to HK$1,959,023,000. Instead, the payable balance would be settled in line with the progress of existing projects undertaken by the Target Group which are expected to be completed by 2020.

Any actual gain or loss from the Disposal will depend on the carrying value of the net assets of the Target Group upon Completion.

Upon Completion, the Company will not have any interest in the Target Company and the Target Company will cease to be a subsidiary of the Group. Accordingly, the profits and losses and the assets and liabilities of the Target Company will no longer be consolidated into the consolidated financial statements of the Group.

USE OF PROCEEDS FROM THE DISPOSAL

The amount of debt to be waived will range from approximately RMB470,000,000 to RMB570,000,000 (equivalent to HK$552,941,000 to HK$670,588,000). No proceeds will be received by the Group under the Disposal.

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 constitute 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. To the best of the Directors' knowledge, information and belief and 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.

SGM

A notice convening the SGM to be held at Suite 1712-16, 17th Floor, China Merchants Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong on 29 March 2016 at 2:00 p.m. is set out on pages 52 and 53 of this circular.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

The resolution approving the Disposal will be voted by way of a poll at the SGM.

RECOMMENDATION

The Directors are of the opinion that the terms of the Disposal are fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Disposal and the transactions contemplated thereunder.

As completion of the Disposal is subject to the fulfillment of a number of conditions precedent and may or may not proceed, Shareholders and potential investors should exercise caution when dealing in the Shares.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

By Order of the Board
Coastal Greenland Limited
Jiang Ming
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for the six months ended 30 September 2015 and two years ended 31 March 2015 are disclosed in the interim report of the Company for the six months ended 30 September 2015 and annual reports of the Company for the two years ended 31 March 2015 respectively, all of which are published on the website of the Stock Exchange at http://www.hkexnews.hk, and the website of the Company at http://www.irasia.com/listco/hk/coastal/Quick links to the interim report and annual reports of the Company published on the website of the Stock Exchange are set out below. There was no qualified opinion issued for the audited financial information of the Group for the two years ended 31 March 2015.

Interim report of the Company for the six months ended 30 September 2015:

http://www.hkexnews.hk/listedco/listconews/SEHK/2015/1230/LTN20151230329.pdf

Annual reports of the Company for the two years ended 31 March 2015:

http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0730/LTN20150730670.pdf

http://www.hkexnews.hk/listedco/listconews/SEHK/2014/0729/LTN20140729704.pdf

2. INDEBTEDNESS

Borrowings

At the close of business on 31 January 2016, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had outstanding borrowings of approximately HK$8,475,067,000 comprising secured bank loans of approximately HK$4,789,536,000, other secured loans of approximately HK$2,365,533,000 and other unsecured loan of approximately HK$1,319,998,000. The Group's banking facilities and other loans were secured by charges over its assets, including bank deposits, land and buildings, properties under development, completed properties for sale, equity interests of certain subsidiaries of the Group.

Contingent liabilities

As at 31 January 2016, the Group had contingent liabilities of approximately HK$2,902,431,000 in respect of guarantees given to banks for mortgage loan facilities granted to property purchasers.

Disclaimer

Save as aforesaid or as otherwise disclosed herein, the Group did not have any debt securities issued and outstanding, or authorised or otherwise created but unissued, any term loans (secured, unsecured, guaranteed or not), any other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments (whether secured or unsecured, guaranteed or not), any mortgages or charges, or other material contingent liabilities or guarantees at the close of business of 31 January 2016.

Foreign currency amounts have been translated into Hong Kong dollars at the rates of exchange prevailing at the close of business on 31 January 2016. The Directors are not aware of any material changes in the Group's indebtedness and contingent liabilities since the close of business on 31 January 2016.

3. WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that the working capital available to the Group is sufficient for the Group's requirements for at least the next 12 months from the date of publication of this circular in the absence of unforeseen circumstances after taking into account (i) the internal resources of the Group; (ii) the available credit facilities of the Group; and (iii) the Disposal.

4. MATERIAL ADVERSE CHANGE

The Directors have confirmed that they were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2015, being the date to which the latest published audited accounts of the Company were made up to.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

For the year ended 31 March 2015, the Group recorded revenue of approximately HK$2,166,795,000 (2014: HK$2,780,503,000) and incurred a loss of HK$524,088,000 (2014: profit of HK$60,431,000). Among the operating activities engaged by the Group, property development represented the largest segment contributing approximately 97.9% of the total revenue for the year ended 31 March 2015 (2014: 85.4%). The decrease in revenue was mainly attributable to drop in amount of properties being completed and delivered to purchasers as compared with the previous year. The overall loss for the year ended 31 March 2015 was solely derived from the loss in property development which was resulted from the decline in property price level in the PRC property market during the year. For the six months ended 30 September 2015, the revenue of the Group decreased from approximately HK$541,935,000 to HK$309,566,000, representing a decrease of approximately 42.9% as compared with the corresponding period in previous year. The plunge in revenue during the period was in line with decrease in total GFA delivered by the Group from 57,119 sq.m. to 31,660 sq.m. for the six months ended 30 September 2014 and 2015 respectively. The gross profit margin for the period was approximately 6.6% which was lower than the gross profit margin for last corresponding period's 15.2%. The decrease was mainly due to a lower level of selling price attained for the properties completed and delivered to purchasers during the period. In view of the challenging environment encountered by the Group, the Board decided to dispose of the Target Group which is principally engaged in construction and reallocate resources and management focus to project investment service and project management service of the Group. The Remaining Group will be principally engaged in property development, property investment, provision of property management service, project management service and project investment service.

China's economy is facing the challenge of consolidation amidst uncertainties in the global market. In response to the sluggish economic outlook, the Central Government has taken measures to release more liquidity into the market and has made positive adjustments to the policies so as to maintain a stable development of the property market. Furthermore, with the continuation of implementation of the urbanization policy by the Central Government and the continual growth in gross domestic product, it is expected that the real estate industry in China will be heading into a healthy direction. The Group expect that the lowering of the RMB interest rate, the possible further loosening up of control measures on property sector, the ongoing urbanisation and the continued increase in the household income are the major drivers that will boost the end users' demand for quality properties in the coming years. Concurrently, the Group will leverage on its experience and expertise in property development business with respect to the property market development.

The Group has a well established brand and seasoned experience in the property market. It will optimise its operations with its geographically well-distributed and diversified prominent property portfolio and will continue to enrich its land reserves and ameliorate the competitiveness of its products. Also, the Group will continuously explore different funding opportunities so as to enhance its financial capability.

6. MANAGEMENT DISCUSSION AND ANALYSIS OF THE REMAINING GROUP

Set out below is the management discussion and analysis on the Remaining Group for the three years ended 31 March 2015 and six months ended 30 September 2015 (the "**Reporting Periods**"). The financial data in respect of the Remaining Group, for the purpose of this circular, is derived from the consolidated financial statements of the Company for the Reporting Periods.

A. Operational and Financial Review

(i) For the year ended 31 March 2013

Business Review

For the financial year ended 31 March 2013, the Remaining Group has recorded a revenue of about HK$3,343 million. The property sales revenue for the period mainly came from the sale of Phase III of Shenyang Silo City, Phase II of Shanghai Riviera Garden, Phase IV of Dongguan Riviera Villa, Phase III of Anshan Wisdom New City and Phase I of Dalian Coastal International Centre which respectively represented about 25%, 18%, 12%, 8%, and 7% of the total property sales revenue. The decrease in revenue was mainly attributable to less properties delivered and recognised during the year resulted from the drawback in the PRC properties market. The Remaining Group only have 3 development projects with GFA of 304,000 sq.m. (2012: 10 projects with GFA of 726,000 sq.m.) that were newly completed and delivered during the year ended 31 March 2013. Profit before taxation for the year was HK$398.5 million, a decrease of about 74% as compared to the HK$1,560.4 million for last year. The decrease in profit before taxation by HK$1,161.9 million was mainly attributable to (i) the decrease in gross profit by HK$1,489.9 million due to less properties delivered and recognised during the year and lower level of selling price attained for the properties delivered; (ii) the increase in fair value loss of investment properties by HK$256.9 million due to decrease in fair value of Suzhou Coastal International Centre; and (iii) the increase in gain on disposal of an associate by HK$377.4 million due to disposal of 20.05% equity interest in Shanghai Fenghwa Group Co., Ltd., a limited company established in the PRC with its shares listed on the Shanghai Stock Exchange. Profit for the year attributable to owners of the Company decreased by about 84% to HK$97.5 and net off with million.

Market and industry development and segment results

There were no significant changes in industry segment and market conditions, new products and services to be introduced that will impact on the Remaining Group's performance, turnover and margins. Segment results of the Remaining Group are analysed as follows:

Property Development

During the year under review, the recognised sales revenue from property development segment was HK$3,333 million, representing a decrease of about 53% from last year's HK$7,163 million, which corresponds to a decrease by 34% in the total GFA delivered by the Group to 355,000 sq.m. (2012: 536,000 sq.m.). The property development segment recorded a profit of approximately HK$576 million, represented a decrease of about 71% compared with profit of HK$2,054 million in last year.

Property Investment

Revenue from property rental decreased by about 70% to HK$2.6 million from last year's HK$8.6 million. The property investment segment for the year recorded a loss of HK$256.5 million comparing to a loss of HK$57.5 million for last year as there was a revaluation deficit of investment properties of HK$313.1 million recorded for the year whereas a revaluation deficit of HK$56.3 million was recorded for last year.

Property Management

The Remaining Group's property management operations recorded a profit of about HK$9.0 million for the year as compared to last year's profit of HK$1.9 million.

Gross Profit Margin

The gross profit margin for the year was about 26% which was lower than the gross profit margin for last year's 33%. The decrease was mainly due to a lower level of selling price attained for the properties completed and delivered to purchasers during the year.

Financial Resources and Liquidity

At 31 March 2013, the Remaining Group's cash and bank deposits amounted to approximately HK$2,607 million (2012: HK$2,503 million). The net borrowings of the Remaining Group, being interest-bearing bank and other borrowings less cash and bank balances and pledged bank deposits, amounted to about HK$3,191 million (2012: HK$3,844 million). The bank borrowings of the Remaining Group were repayable within 1 year to 5 years. The Remaining Group had net current assets and total assets less current liabilities of approximately HK$8,036 million and HK$9,451 million respectively. The current ratio of the Remaining Group was approximately 225% and the net debt gearing ratio was 74%. The Remaining Group's bank borrowings are denominated in RMB, HK$ and USD and have been arranged either on a fixed-rate or on a floating-rate basis.

Foreign Currency Risk

The Remaining Group's operations are principally in the PRC and accordingly a majority part of its income and expenditure is denominated in RMB. For the year ended 31 March 2013, the exchange rates of RMB against HK$ and USD have been on an overall rising trend, which is in favour of the Remaining Group's operations as all the major assets, mainly property development projects, of the Remaining Group are located in the PRC and will generate RMB revenue to the Remaining Group. Except certain bank and other loans which are denominated in USD or HK$, most of the Remaining Group's liabilities are denominated in RMB. The Group does not use any derivative contracts to hedge against its exposure to currency risk. The management manages its foreign currency risk by monitoring the movement of the foreign currency rate and will consider hedging significant foreign currency exposure should the need arise.

Charge on Assets

At 31 March 2013, certain of the Remaining Group's bank and other loans were secured by (i) certain land and buildings, bank deposits, properties under development and completed properties for sale with an aggregate carrying value of approximately HK$3,387 million, (ii) the Remaining Group's 100% equity interest in four property-based subsidiaries; (iii) corporate guarantees from the Company and certain subsidiaries; and (iv) share charge over the entire issued capital of certain wholly-owned subsidiaries of the Company

Contingent Liabilities

At 31 March 2013, the Remaining Group had given guarantees to the extent of approximately HK$4,043 million (2012: HK$4,001 million) to banks in respect of mortgage loan facilities granted to the property purchasers. The Remaining Group had also given guarantees amounting to approximately HK$223 million (2012: HK$123 million) to banks in connection with banking facility granted to an associate against which a counter-guarantee was given by the associate to the Remaining Group.

Capital Structure

As at 31 March 2013, the share capital of the Company comprised ordinary shares only.

Employees and Remuneration Policy

The Remaining Group employs a total of about 1,700 employees in the mainland China and Hong Kong. Employees are remunerated based on their work performance, skills and experience, and prevailing industry practice. Apart from basic salary and performance related bonus, the Remaining Group also provides other benefits to its employees including mandatory provident fund, medical insurance coverage and housing allowances.

(ii) For the year ended 31 March 2014

Business Review

For the financial year ended 31 March 2014, the Remaining Group has recorded a revenue of about HK$2,398 million. The property sales revenue for the period mainly came from the sale of Phase II section B1 of Dalian Jianzhu Project, Phase VI section A1 of Wuhan Silo City, Phase IV section A2 of Beijing Silo City, Phase V section AB of Wuhan Silo City which respectively represented about 28%, 26%, 13% and 7% of the total property sales revenue. Such decrease was mainly attributable to less properties delivered and recognised as revenue during the year resulted from the drawback in the PRC properties market. The Remaining Group have 7 development projects with GFA of 245,000 sq.m. (2013: 3 projects with GFA of 304,000 sq.m.) that were newly completed and delivered during the year ended 31 March 2014. Profit before taxation for the year was HK$50.7 million, a decrease of about 87% as compared to the HK$398.5 million for last year. The decrease in profit before taxation by HK$347.8 million was mainly attributable to the decrease in gross profit by HK$340.5 million due to less properties delivered and recognised during the year and lower level of selling price attained for the properties delivered. Profit for the year attributable to owners of the Company decreased by about 1% to HK$96.8 million.

Market and industry development and segment results

There were no significant changes in industry segment and market conditions, new products and services to be introduced that will impact on the Remaining Group's performance turnover and margins. Segment results of the Remaining Group are analysed as follows:

Property Development

During the year under review, the recognised sales revenue from property development segment was HK$2,375 million, representing a decrease of about 29% from last year's HK$3,333 million, which corresponds to a decrease by 23% in the total GFA delivered by the Remaining Group to 272,000 sq.m. (2013: 355,000 sq.m.). The property development segment recorded a profit of approximately HK$160 million, represented a decrease of about 72% compared with profit of HK$576 million in last year.

Property Investment

Revenue from property rental decreased by about 21% to HK$2.0 million from last year's HK$2.6 million. The property investment segment for the year recorded a profit of HK$1.1 million comparing to a loss of HK$256.5 million for last year, which was mainly caused by a revaluation deficit of HK$313.1 million.

Property Management

The Remaining Group's property management operations recorded a profit of about HK$6.4 million for the year as compared to last year's profit of HK$9.0 million.

Gross Profit Margin

The gross profit margin for the year was about 21% which was lower than the gross profit margin for last year's 26%. The decrease was mainly due to a lower level of selling price attained for the properties completed and delivered to purchasers during the year.

Financial Resources and Liquidity

At 31 March 2014, the Remaining Group's cash and bank deposits amounted to approximately HK$2,668 million. At 31 March 2014, the net borrowings of the Remaining Group, being interest-bearing bank and other borrowings less cash and bank balances and pledged bank deposits, amounted to about HK$4,703 million. The bank borrowings of the Remaining Group were repayable within 1 year to 5 years. The Remaining Group had net current assets and total assets less current liabilities of approximately HK$9,077 million and HK$10,395 million respectively. The current ratio of the Remaining Group was approximately 226% and the net debt gearing ratio was 102%. The Remaining Group's bank borrowings are denominated in RMB, HK$ and USD and have been arranged either on a fixed-rate or on a floating-rate basis.

Foreign Currency Risk

The Remaining Group's operations are principally in the PRC and accordingly a majority part of its income and expenditure is denominated in RMB. For the year ended 31 March 2014, the exchange rates of RMB against HK$ and USD have been on an overall rising trend, which is in favour of the Remaining Group's operations as all the major assets, mainly property development projects, of the Remaining Group are located in the PRC and will generate RMB revenue to the Remaining Group. Except certain bank and other loans which are denominated in USD or HK$, most of the Remaining Group's liabilities are denominated in RMB. The Group does not use any derivative contracts to hedge against its exposure to currency risk. The management manages its foreign currency risk by monitoring the movement of the foreign currency rate and will consider hedging significant foreign currency exposure should the need arise.

Charge on Assets

At 31 March 2014, certain of the Remaining Group's bank and other loans were secured by (i) certain land and buildings, bank deposits, properties under development and completed properties for sale with an aggregate carrying value of approximately HK$2,735 million, (ii) the Remaining Group's 100% equity interest in four property-based subsidiary; (iii) corporate guarantees from the Company and certain of its subsidiaries; and (iv) share charge over the entire issued capital of certain wholly-owned subsidiaries of the Company

Contingent Liabilities

At 31 March 2014, the Remaining Group had given guarantees to the extent of approximately HK$3,546 million (2013: HK$4,043 million) to banks in respect of mortgage loan facilities granted to the property purchasers. The Remaining Group had also given guarantees amounting to approximately HK$195 million (2013: HK$223 million) to banks in connection with banking facility granted to an associate against which a counter-guarantee was given by the associate to the Remaining Group.

Capital Structure

As at 31 March 2014, the share capital of the Company comprised ordinary shares only.

Employees and Remuneration Policy

The Remaining Group employs a total of about 1,600 employees in the mainland China and Hong Kong. Employees are remunerated based on their work performance, skills and experience, and prevailing industry practice. Apart from basic salary and performance related bonus, the Remaining Group also provides other benefits to its employees including mandatory provident fund, medical insurance coverage, housing allowances and share options.

(iii) For the year ended 31 March 2015

Business Review

For the financial year ended 31 March 2015, the Remaining Group has recorded a revenue of HK$2,149 million, a decrease of about 10% as compared to the HK$2,398 million for last year. The property sales revenue for the year mainly came from the sale of Phase VI section A2 of Wuhan Silo city, Phase VI section A of Dongguan Riveria Villa and Chongqing Coastal Silo City, which respectively represented about 31%, 20% and 19% of the total property sales revenue. Such decrease was mainly attributable to less properties delivered and recognised as revenue during the year resulted from the drawback in the PRC properties market. The Remaining Group only have 3 development projects with GFA of 192,000 sq.m. (2014: 7 projects with GFA of 245,000 sq.m.) that were newly completed and delivered during the year ended 31 March 2015. Loss before taxation for the year was HK$376.4 million, compared to a profit before taxation of HK$50.7 million for last year. The loss before taxation was mainly attributable to (i) the decrease in gross profit by HK$278.3 million due to less properties delivered and recognised during the year and lower level of selling price attained for the properties delivered; and (ii) the increase in impairment loss recognised on prepayments, deposits and other receivables by HK$174.9 million in relation to deposit for future acquisition of land use rights. Loss for the year attributable to owners of the Company was HK$447.6 million, compared to a profit attributable to owners of the Company of HK$96.8 million for last year.

Market and industry development and segment results

There were no significant changes in industry segment and market conditions, new products and services to be introduced that will impact on the Remaining Group's performance turnover and margins. Segment results of the Remaining Group are analysed as follows:

Property Development

During the year under review, the recognised sales revenue from property development segment was HK$2,121 million, representing a decrease of about 11% from last year's HK$2,375 million, which corresponds to a decrease by 6% in the total GFA delivered by the Remaining Group to 255,000 sq.m. (2014: 272,000 sq.m.). The property development segment recorded a loss of approximately HK$307 million, represented a decrease of about 292% compared with profit of HK$160 million in last year.

Property Investment

Revenue from property rental increased by about 60% to HK$3.3 million from last year's HK$2.0 million. The property investment segment for the year recorded a profit of HK$2.2 million comparing to profit of HK$1.1 million for last year.

Property Management

The Remaining Group's property management operations recorded a profit of about HK$4.2 million for the year as compared to HK$6.4 million for last year.

Gross Profit Margin

The gross profit margin for the year was about 11% which was lower than the gross profit margin for last year's 21%. The decrease was mainly due to a lower level of selling price attained for the properties completed and delivered to purchasers during the year.

Financial Resources and Liquidity

At 31 March 2015, the Remaining Group's cash and bank deposits amounted to approximately HK$2,365 million. At 31 March 2015, the net borrowings of the Remaining Group, being interest-bearing bank and other borrowings less cash and bank balances and pledged bank deposits, amounted to about HK$6,445 million. The bank borrowings of the

Remaining Group were repayable within 1 year to 4 years. The Remaining Group had net current assets and total assets less current liabilities of approximately HK$6,718 million and HK$8,588 million respectively. The current ratio of the Remaining Group was approximately 197% and the net debt gearing ratio was 153%. The Remaining Group's bank borrowings are denominated in RMB, HK$ and USD and have been arranged either on a fixed-rate or on a floating-rate basis.

Foreign Currency Risk

The Remaining Group's operations are principally in the PRC and accordingly a majority part of its income and expenditure is denominated in RMB. The exchange rates of RMB against HK$ and USD have been quite stable over the past years. Also the Remaining Group's operations will not be unduly exposed to exchange rates fluctuations as all the major assets, mainly property development projects, of the Remaining Group are located in the PRC and will generate RMB revenue to the Remaining Group. Except certain bank and other loans which are denominated in USD or HK$, most of the Remaining Group's liabilities are denominated in RMB. The Group does not use any derivative contracts to hedge against its exposure to currency risk. The management manages its foreign currency risk by monitoring the movement of the foreign currency rate and will consider hedging significant foreign currency exposure should the need arise.

Charge on Assets

At 31 March 2015, certain of the Remaining Group's bank and other loans were secured by (i) certain land and buildings, bank deposits, properties under development and completed properties for sale with an aggregate carrying value of approximately HK$3,348 million, (ii) the Remaining Group's 100% equity interest in four property-based subsidiary; (iii) corporate guarantees from the Company and certain of its subsidiaries; and (iv) share charge over the entire issued capital of certain wholly-owned subsidiaries of the Company.

Contingent Liabilities

At 31 March 2015, the Remaining Group had given guarantees to the extent of approximately HK$2,541 million (2014: HK$3,546 million) to banks in respect of mortgage loan facilities granted to the property purchasers. The Remaining Group had also given guarantees amounting to approximately HK$158 million (2014: HK$195 million) to banks in connection with a banking facility granted to an associate against which a counter-guarantee was given by the associate to the Remaining Group.

Capital Structure

As at 31 March 2015, the Share capital of the Company comprised ordinary shares only.

Employees and Remuneration Policy

The Remaining Group employs a total of about 1,200 employees in the mainland China and Hong Kong. Employees are remunerated based on their work performance, skills and experience, and prevailing industry practice. Apart from basic salary and performance related bonus, the Remaining Group also provides other benefits to its employees including mandatory provident fund, medical insurance coverage, housing allowances and share options.

(iv) For the six months ended 30 September 2015

Business Review

For the six months ended 30 September 2015, the Remaining Group has recorded a revenue of HK$279.8 million, a decrease of about 47% as compared to HK$528.0 million for last corresponding period. The property sales revenue for the period mainly came from the sale of Phase VI of Dongguan Riviera Villa, Phase II section B2 of Dalian Jianzhu Project, Phase I of Dalian Coastal International Centre and Phase V section A of Dongguan Riviera Villa which respectively represented about 51%, 20%, 9% and 8% of the total property sales revenue. Such decrease was mainly attributable to less properties delivered and recognised as revenue during the period resulted from the drawback in the PRC properties market. The Remaining Group did not have development projects (6 months ended 30 September 2014: 1 project with GFA of 86,000 sq.m.) that were newly completed and delivered during the six months ended 30 September 2015 such that the revenue recognised during this period was only attributable to the sales of remaining units of projects that were completed in prior years. Loss before taxation for the period was HK$180.4 million, compared to HK$177.1 million for last corresponding period.The decrease in loss before taxation by HK$3.3 million was mainly attributable to (i) the decrease in gross profit by HK$75.5 million due to less properties delivered and recognised during the year and lower level of selling price attained for the properties delivered; and (ii) the decrease in administrative expenses by HK$65.9 million due to cost retrenchment made in response to the slow down in the business of the Remaining Group. Loss for the period attributable to owners of the Company was HK$153.9 million, compared to HK$221.4 million for last corresponding period.

Market and industry development and segment results

There were no significant changes in industry segment and market conditions, new products and services to be introduced that will impact on the Remaining Group's performance turnover and margins. Segment results of the Remaining Group are analysed as follows:

Property Development

During the period under review, the recognised sales revenue from property development segment was HK$272.9 million, representing a decrease of about 47% from last corresponding period's HK$518.1 million, which corresponds to a decrease by 45% in the total GFA delivered by the Remaining Group to 31,660 sq.m. (2014: 57,119 sq.m.). The property development segment recorded a loss of approximately HK$90.9 million, represented a decrease of about 15% compared with loss of HK$107.5 million in last corresponding period.

Property Investment

Revenue from property rental decreased by about 24% to HK$0.9 million from last corresponding period's HK$1.2 million. The property investment segment for the period recorded a profit of HK$0.6 million comparing to profit of HK$0.9 million for last corresponding period.

Property Management

The Remaining Group's property management operations recorded a profit of about HK$2.8 million for the period as compared to HK$2.0 million for last corresponding period.

Gross Profit Margin

The gross profit margin for the period was about 6% which was lower than the gross profit margin for last corresponding period's 17%. The decrease was mainly due to a lower level of selling price attained for the properties completed and delivered to purchasers during the period as a result of the overall decline in the property price level in the PRC property market over the past two years.

Financial Resources and Liquidity

At 30 September 2015, the Remaining Group's cash and bank deposits amounted to approximately HK$1,555 million. At 30 September 2015, the net borrowings of the Remaining Group, being interest-bearing bank and other borrowings less cash and bank balances and pledged bank deposits, amounted to about HK$6,775 million (31 March 2015: HK$6,439 million). The bank borrowings of the Remaining Group were repayable within 1 year to 4 years. The Remaining Group had net current assets and total assets less current liabilities of approximately HK$6,943 million and HK$8,768 million respectively. The current ratio of the Remaining Group was approximately was approximately 197% and the net debt gearing ratio was 172%. The Remaining Group's bank borrowings are denominated in RMB, HK$ and USD and have been arranged either on a fixed-rate or on a floating-rate basis.

Foreign Currency Risk

The Remaining Group's operations are principally in the PRC and accordingly a majority part of its income and expenditure is denominated in RMB. The exchange rates of RMB against HK$ and USD have been quite stable over the past years. Also the Remaining Group's operations will not be unduly expose to exchange rates fluctuations as all the major assets, mainly property development projects, of the Remaining Group are located in the PRC and will generate RMB revenue to the Remaining Group. Except certain bank and other loans which are denominated in USD or HK$, most of the Remaining Group's liabilities are denominated in RMB. The Group does not use any derivative contracts to hedge against its exposure to currency risk. The management manages its foreign currency risk by monitoring the movement of the foreign currency rate and will consider hedging significant foreign currency exposure should the need arise.

Charge on Assets

At 30 September 2015, certain of the Remaining Group's bank and other loans were secured by (i) certain land and buildings, bank deposits and properties under development with an aggregate carrying value of approximately HK$2,948 million, (ii) the Remaining Group's 100% equity interest in four property-based subsidiary; and (iii) corporate guarantees from the Company and certain of its subsidiaries.

Contingent Liabilities

At 30 September 2015, the Remaining Group had given guarantees to the extent of approximately HK$2,902 million (31 March 2015: HK$2,541 million) to banks in respect of mortgage loan facilities granted to the property purchasers. The Remaining Group had also given guarantees amounting to nil (31 March 2015: HK$158 million) to banks in connection with a banking facility granted to an associate against which a counter-guarantee was given by the associate to the Remaining Group.

Capital Structure

As at 30 September 2015, the Share capital of the Company comprised ordinary shares only.

Employees and Remuneration Policy

The Remaining Group employs a total of about 1,000 employees in the mainland China and Hong Kong. Employees are remunerated based on their work performance, skills and experience, and prevailing industry practice. Apart from basic salary and performance related bonus, the Remaining Group also provides other benefits to its employees including mandatory provident fund, medical insurance coverage, housing allowances and share options.

B. Future Plan for Material Investments or Capital Assets

As at the Latest Practicable Date, the Remaining Group has no plan for material investments or capital assets.

C. Material Acquisitions and Disposals of Subsidiaries and Associates

Material acquisitions and disposals of subsidiaries and associates during the Reporting Periods are detailed as follows:

1. On 28 July 2014, Shanghai Coastal Greenland Real Estate Ltd., a wholly-owned subsidiary of the Company entered into a sales and purchase agreement with a purchaser in relation to the disposal of 25% of registered capital of Beijing Ziguang Yan Hai Lian He Investment Co., Ltd. for a total consideration of RMB95,000,000 (equivalent to approximately HK$118,750,000) which was settled in cash. Prior to the disposal, Beijing Ziguang Yan Hai Lian He Investment Co., Ltd. was a 25% associate of the Group principally engaged in investment holding. Proceeds from the disposal were applied towards the general working capital of the Group. Quick link to the Company's announcement dated 28 July 2014 is set out as below:

   http://www.hkexnews.hk/listedco/listconews/SEHK/2014/0728/LTN20140728910.pdf

2. On 18 June 2014, Shenzhen Coastal Property Investment Limited, a wholly-owned subsidiary of the Company entered into a sales and purchase agreement with a

purchaser in relation to the disposal of 40% of the registered and paid up capital of Changsha Xinhongxin Real Estate Development Co., Limited for a total consideration of RMB59,200,000 (equivalent to approximately HK$74,000,000) which was settled in cash. Prior to the disposal, Changsha Xinhongxin Real Estate Development Co. was a 40% joint venture of the Company principally engaged in property development. Proceeds from the disposal were applied towards the general working capital of the Group. Quick link to the Company's announcement dated 18 July 2014 is set out as below:

http://www.hkexnews.hk/listedco/listconews/SEHK/2014/0718/LTN20140718688.pdf

3. On 16 October 2012, Shenzhen Coastal Property Investment Limited, a wholly-owned subsidiary of the Company entered into a sales and purchase agreement with Shum Yip Investment (Shenzhen) Co., Ltd., a wholly-owned subsidiary of a substantial shareholder of the Company to acquire 30% equity interest of Huizhou Shum Yip Southern Land Company Limited and the shareholder's loan in the principal amount of RMB194,830,900 (equivalent to approximately HK$237,599,000) at a consideration of RMB214,780,300 (equivalent to approximately HK$261,927,000) which was settled by setting off part of the consideration for the disposal entered into by Suzhou Gaotong Information Services and Consultation Ltd. and Coastal Realty Investment (China) Limited which were both wholly-owned subsidiaries of the Company.

   The aforementioned disposal was entered into on the same date, pursuant to which Suzhou Gaotong Information Services and Consultation Ltd. and Coastal Realty Investment (China) Limited agreed to dispose of 100% equity interest of Suzhou New Development Investment Co., Ltd. and the shareholder's loan to Shum Yip Land Co., Ltd. which was a wholly-owned subsidiary of a substantial shareholder of the Company for a consideration of RMB550,000,000 (equivalent to approximately HK$670,732,000) which was partly settled by setting off the consideration of the abovementioned acquisition and the remaining amount was payable by the purchaser.

   For the acquisition, Huizhou Shum Yip Southern Land Company Limited was principally engaged in property development. For the disposal, Suzhou New Development Investment Co., Ltd. was principally engaged in property development, property investment, hotel operation, property management, property leasing and convention business.

   Quick link to the Company's announcement dated 4 October 2012 and circular dated 2 November 2012 are set out as below:

   Announcement:

   http://www.hkexnews.hk/listedco/listconews/SEHK/2012/1004/LTN20121004311.pdf

Circular:

http://www.hkexnews.hk/listedco/listconews/SEHK/2012/1102/LTN20121102041.pdf

4. On 20 August 2012, Coastal Realty Investment (China) Limited, a wholly-owned subsidiary of the Company entered into a sales and purchase agreement with a purchaser in relation to the disposal of 37,700,000 shares in Shanghai Fenghwa Group Co., Ltd. for a total consideration of RMB452,400,000 (equivalent to approximately HK$551,707,000) which was settled in cash. Proceeds from the disposal were applied towards the general working capital of the Group. Quick link to the Company's announcement dated 20 August 2012 is set out as below:

   http://www.hkexnews.hk/listedco/listconews/SEHK/2012/0821/LTN20120821010.pdf

Set out below are the unaudited statements of financial position of the Target Group as at 30 September 2015, 31 March 2015, 2014 and 2013, and the unaudited statements of profit or loss and other comprehensive income, the unaudited statements of changes in equity and the unaudited statements of cash flows of the Target Group for the six months ended 30 September 2015 and three years ended 31 March 2015 and explanatory notes (the "**Financial Information**").

The Financial Information has been prepared in accordance with paragraph 14.68(2)(a)(i) of the Listing Rules and the basis of preparation as set out in note 2 to the Financial Information and is solely for the purposes of inclusion in this circular in connection with the Disposal pursuant to the Disposal Agreement.

The reporting accountant of the Target Group, Deloitte Touche Tohmatsu was engaged to review the Financial Information of the Target Group set out on pages 31 to 36 of this circular in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" and with reference to Practice Note 750 "Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable the reporting accountant to obtain assurance that the reporting accountant would become aware of all significant matters that might be identified in an audit. Accordingly, the reporting accountant does not express an audit opinion.

Based on the review, nothing has come to the reporting accountant's attention that causes them to believe that the Financial Information of the Target Group for the relevant years is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2 to the Financial Information.

UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended 31 March			Six months ended 30 September	
	2013	**2014**	**2015**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	542,482	743,426	1,305,000	539,948	48,665
Cost of sales	(496,979)	(703,286)	(1,252,723)	(563,616)	(44,427)
	45,503	40,140	52,277	(23,668)	4,238
Other income and gains	318	4,739	1,330	135	90
Administrative expenses	(24,077)	(26,758)	(41,879)	(27,325)	(7,021)
Finance costs	(6,148)	(3,925)	(10,992)	(5,620)	(34,857)
Profit (loss) before taxation	15,596	14,196	736	(56,478)	(37,550)
Income tax expense	(10,585)	(15,288)	(24,762)	(9,662)	(242)
Profit (loss) for the year/period	5,011	(1,092)	(24,026)	(66,140)	(37,792)
Other comprehensive income (expenses)					
Item that will not be reclassified subsequently to profit or loss					
Exchange differences arising on translation to presentation currency	724	3,965	375	107	(11,356)
Total comprehensive income (expenses) for the year/period	5,735	2,873	(23,651)	(66,033)	(49,148)

UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	NOTES	As at 31 March 2013 HK$'000	As at 31 March 2014 HK$'000	As at 31 March 2015 HK$'000	As at 30 September 2015 HK$'000
NON-CURRENT ASSETS					
Property, plant and equipment		1,410	1,218	1,285	1,133
CURRENT ASSETS					
Completed properties for sale		19,169	19,520	19,032	17,877
Prepayment, deposits and other receivables		118,288	25,322	29,352	38,542
Amounts due from customers for contract work		55,283	187,612	148,759	28,779
Amounts due from fellow subsidiaries	3	–	–	239,006	396,857
Amounts due from intermediate holding company	3	36,389	262,404	1,732,740	2,115,107
Amounts due from related parties	4	147,494	252,505	340,277	412,878
Tax receivables		–	–	–	352
Cash and bank balances		17,520	25,830	30,263	16,744
Total current assets		394,143	773,193	2,539,429	3,027,136
CURRENT LIABILITIES					
Trade payables		95,691	183,828	694,463	636,775
Other payables and accruals		17,557	20,001	16,135	47,002
Amounts due to fellow subsidiaries	3	60,370	159,425	1,487,020	1,511,011
Tax payables		5,349	2,555	21,193	–
Interest-bearing bank and other borrowings		–	63,048	–	365,492
Total current liabilities		178,967	428,857	2,218,811	2,560,280
NET CURRENT ASSETS		215,176	344,336	320,618	466,856
TOTAL ASSETS LESS CURRENT LIABILITIES		216,586	345,554	321,903	467,989
CAPITAL AND RESERVES					
Share capital		113,104	239,199	239,199	239,199
Reserves		103,482	106,355	82,704	33,556
TOTAL EQUITY		216,586	345,554	321,903	272,755
NON-CURRENT LIABILITY					
Interest bearing bank and other borrowings		–	–	–	195,234
TOTAL EQUITY AND NON-CURRENT LIABILITY		216,586	345,554	321,903	467,989

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Exchange fluctuation reserve	Retained profits	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2012	51,316	14,381	83,366	149,063
Issue of shares	61,788	–	–	61,788
Exchange differences arising on translation to presentation currency	–	724	–	724
Other comprehensive income for the year	61,788	724	–	62,512
Profit for the year	–	–	5,011	5,011
Total comprehensive income for the year	61,788	724	5,011	67,523
At 31 March 2013	113,104	15,105	88,377	216,586
Issue of shares	126,095	–	–	126,095
Exchange differences arising on translation to presentation currency	–	3,965	–	3,965
Other comprehensive income for the year	126,095	3,965	–	130,060
Profit for the year	–	–	(1,092)	(1,092)
Total comprehensive income for the year	126,095	3,965	(1,092)	128,968
At 31 March 2014	239,199	19,070	87,285	345,554
Exchange differences arising on translation to presentation currency	–	375	–	375
Other comprehensive income for the year	–	375	–	375
Loss for the year	–	–	(24,026)	(24,026)
Total comprehensive income (expense) for the year	–	375	(24,026)	(23,651)
At 31 March 2015	239,199	19,445	63,259	321,903
Exchange differences arising on translation to presentation currency	–	(11,356)	–	(11,356)
Other comprehensive expense for the period	–	(11,356)	–	(11,356)
Loss for the period	–	–	(37,792)	(37,792)
Total comprehensive expense for the period	–	(11,356)	(37,792)	(49,148)
At 30 September 2015	239,199	8,089	25,467	272,755
At 31 March 2014	239,199	19,070	87,285	345,554
Exchange differences arising on translation to presentation currency	–	107	–	107
Other comprehensive income for the period	–	107	–	107
Loss for the period	–	–	(66,140)	(66,140)
Total comprehensive income (expense) for the period	–	107	(66,140)	(66,033)
At 30 September 2014	239,199	19,177	21,145	279,521

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 31 March			Six months ended 30 September	
	2013	2014	2015	2014	2015
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
OPERATING ACTIVITIES					
Profit (loss) before taxation	15,596	14,196	736	(56,478)	(37,550)
Adjustments for:					
Finance costs	6,148	3,925	10,992	5,620	34,857
Interest income	(271)	(384)	(1,277)	(78)	(26)
Depreciation	1,364	676	743	430	203
Loss on disposal of property, plant and equipment	5	25	471	17	125
Operating cash flows before movements in working capital	22,842	18,438	11,665	(50,489)	(2,391)
Decrease in completed properties for sales	–	–	511	170	521
Decrease (increase) in prepayments, deposits and other receivables	269,760	2,232	(3,995)	(322,447)	(10,467)
Decrease (increase) in amounts due from customers for contract work	18,226	(131,242)	39,041	187,752	118,036
Increase in amounts due to fellow subsidiaries	–	–	1,485,499	1,498,484	76,675
Increase in amounts due from fellow subsidiaries	–	–	(239,250)	–	(170,504)
Increase in amounts due from related parties	(132,133)	(102,250)	(87,377)	(32,600)	(86,481)
Increase (decrease) in trade payables	9,071	86,334	509,890	74,025	(34,957)
Increase (decrease) in other payables and accruals	10,495	2,121	(3,885)	216,644	(374)
Cash generated from (used in) operations	198,261	(124,367)	1,712,099	1,571,539	(109,942)
Interest received	271	384	1,277	78	26
PRC Enterprise Income Tax paid	(13,454)	(18,177)	(6,146)	(7,176)	(21,633)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	185,078	(142,160)	1,707,230	1,564,441	(131,549)
INVESTING ACTIVITIES					
Purchase of property, plant and equipment	(170)	(509)	(1,279)	(864)	(176)
(Increase) decrease in prepayment, deposits and other receivables	(92,846)	92,847	–	–	–
Advance to intermediate holding company	(36,320)	(225,221)	(1,468,515)	(1,477,839)	(453,388)
Repayment from fellow subsidiaries	44,846	–	–	–	–
NET CASH USED IN INVESTING ACTIVITIES	(84,490)	(132,883)	(1,469,794)	(1,478,703)	(453,564)
FINANCING ACTIVITIES					
New bank and other borrowings	148,594	127,321	280,271	280,140	575,967
Repayments from (advances to) fellow subsidiaries	60,255	97,894	(159,455)	(159,544)	–
Repayment to intermediate hold company	(210,205)	–	–	–	–
Repayment of bank and other borrowings	(148,594)	(64,309)	(343,407)	(138,931)	–
Proceeds from issue of shares	61,788	126,095	–	–	–
Interest paid	(6,148)	(3,925)	(10,992)	(5,620)	(2,214)

	Year ended 31 March			Six months ended 30 September	
	2013	**2014**	**2015**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
NET CASH (USED IN) FROM FINANCING ACTIVITIES	(94,310)	283,076	(233,583)	(23,955)	573,753
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6,277	8,033	3,853	61,783	(11,360)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR/PERIOD	11,150	17,520	25,830	25,830	30,263
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	93	277	580	57	(2,159)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR/PERIOD	17,520	25,830	30,263	87,670	16,744

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL INFORMATION

1. GENERAL

On 11 January 2016, the immediate holding company of 經典建設有限公司 (Jingdian Construction Co. Ltd.) (the "Disposal Company") and its subsidiary (collectively referred to as the "Disposal Group"), Shanghai Coastal Commercial Investment Management Co. Ltd., a subsidiary of Coastal Greenland Limited ("the Company") and Ms. Yang Jiong Xuan, the legal owner of the 10% equity interests in the Disposal Company (collectively referred to as the "Vendors"), have entered into an agreement with Fujian Province Huiwu Construction Engineering Company Limited ("the Purchaser"), pursuant to which the Vendors conditionally agreed to dispose of 100% equity interests in the Disposal Company to the Purchaser (the "Disposal") at nil cash consideration, and a debt in the amount that ranges from RMB470,000,000 to RMB570,000,000 (equivalent to HK$552,941,000 to HK$670,588,000) due and owing by a wholly-owned subsidiary of the Company to the Disposal Company, which is included in the amounts due from intermediate holding company of the Disposal Company (the "Debt"), will be waived. The exact amount of the Debt to be waived could only be ascertained at a later stage after the completion on the findings and due diligence exercise. The Financial Information has not been prepared to reflect the impact of the Debt to be waived.

Completion of the Disposal is conditional upon (i) the satisfaction of result of due diligence on the Disposal Group by the Purchaser; and (ii) the passing by the shareholders of the Company at a general meeting of the Company of the ordinary resolution(s) to approve the disposal and the transactions contemplated thereunder.

2. BASIS OF PREPARATION OF THE UNAUDITED CONSOLIDATED FINANCIAL INFORMATION

The financial information of the Disposal Group for each of the three years ended 31 March 2015 and the six months ended 30 September 2015 (the "Financial Information") has been prepared in accordance with Rule 14.68(2)(a)(i)(A) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and solely for the purpose of inclusion in the circular issued by the Company in connection with the Disposal.

The Financial Information does not contain sufficient information to constitute a complete set of financial statements as defined in Hong Kong Accounting Standard 1 (Revised) "Presentation of Financial Statements" or a set of condensed financial statements as defined in Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The amounts included in the Financial Information has been recognised and measured in accordance with the relevant accounting policies of the Company and its subsidiaries adopted in the preparation of its consolidated financial statements for each of the three years ended 31 March 2015 which conform with Hong Kong Financial Reporting Standards issued by the HKICPA.

3. AMOUNTS DUE FROM (TO) INTERMEDIATE HOLDING COMPANY/FELLOW SUBSIDIARIES

Amounts due from fellow subsidiaries that are trade in nature and amount due from intermediate holding company that in non-trade in nature are unsecured, interest-free and repayable on demand. The amounts are expected to be recovered within 12 months from the end of the relevant reporting periods and thus they are current in nature.

The amounts due to fellow subsidiaries are unsecured, interest free and repayable on demand. The amounts as at 31 March 2013 and 2014 are non-trade in nature while the amounts as at 31 March 2015 and 30 September 2015 represent deposits received in advance for construction services to be provided to a fellow subsidiary.

4. AMOUNTS DUE FROM RELATED PARTIES

The related parties are associates of subsidiaries of the Company, in which the shareholders of the Disposal Company have beneficial interests.

The amounts are trade in nature, unsecured, interest-free and repayable on demand. The amounts are expected to be settled within 12 months from the end of the reporting periods and thus they are current in nature.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

TO THE DIRECTORS OF COASTAL GREENLAND LIMITED

We have completed our assurance engagement to report on the compilation of pro forma financial information of Coastal Greenland Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The pro forma financial information consists of the unaudited pro forma statement of financial position as at 30 September 2015, the unaudited pro forma statement of profit or loss and other comprehensive income for the six months ended 30 September 2015, the unaudited pro forma statement of cash flows for the six months ended 30 September 2015 and related notes as set out on pages 40 to 46 of the circular issued by the Company dated 8 March 2016 (the "Circular"). The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described on pages 45 to 46 of the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the disposal of 100% equity interests (10% held by an individual on behalf of the Group) in 經典建設有限公司 (Jingdian Construction Co. Ltd.) and its subsidiary (the "Disposal") on the Group's consolidated financial position as at 30 September 2015 and its financial performance and cash flows for the six months ended 30 September 2015 as if the Disposal had taken place at 30 September 2015 and 1 April 2015 respectively. As part of this process, information about the Group's consolidated financial position, financial performance and cash flows has been extracted by the Directors from the Group's condensed consolidated financial statements for the six months ended 30 September 2015, on which a review report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 September 2015 or 1 April 2015 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

The related pro forma adjustments give appropriate effect to those criteria; and

The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
8 March 2016

INTRODUCTION

Basis Of Preparation Of The Unaudited Pro Forma Financial Information Of The Remaining Group

The following is the unaudited pro forma consolidated statement of financial position, unaudited pro forma consolidated statement of profit or loss and other comprehensive income and unaudited pro forma consolidated statement of cash flows of Coastal Greenland Limited and its subsidiaries (the "Group") excluding 經典建設有限公司 (Jiangdian Construction Co. Ltd.) and its subsidiary (the "Disposal Group") (hereinafter referred to as the "Remaining Group") (the "Unaudited Pro Forma Financial Information") as if the disposal of 100% (10% held by an individual on behalf of the Group) equity interests in the Disposal Group (the "Disposal") had completed on 30 September 2015 for the unaudited pro forma consolidated statement of financial position, and on 1 April 2015 for the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows.

The Unaudited Pro Forma Financial Information of the Remaining Group should be read in conjunction with the unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2015 as disclosed in the interim report of the Company for the six months ended 30 September 2015 (the "2015 Interim Report"), and other financial information included elsewhere in the Circular.

The unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Remaining Group are prepared based on the unaudited condensed consolidated statement of profit or loss and other comprehensive income and the unaudited condensed consolidated statement of cash flows of the Group for the six months ended 30 September 2015 as extracted from the 2015 Interim Report after making pro forma adjustments as set out below.

The unaudited pro forma consolidated statement of financial position of the Remaining Group is prepared based on the unaudited condensed consolidated statement of financial position of the Group as at 30 September 2015 as extracted from the 2015 Interim Report after making pro forma adjustments as set out below.

The Unaudited Pro Forma Financial Information of the Group has been prepared in accordance with paragraph 29 of Chapter 4 of the Listing Rules to illustrate the possible outcomes relating to the Disposal. It is prepared for illustrative purposes only and because of its hypothetical nature, it may not give a picture of the financial position of the group upon completion of the Disposal as at 30 September 2015 or any future period, or the financial performance and cash flows of the Group upon the completion of the Disposal for the period ended 30 September 2015 or any future period.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2015

	The Group as at 30 September 2015 *(Unaudited)*	**Pro forma adjustments**				**The Remaining Group as at 30 September 2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note (a)	*Note (b)*	*Note (c)*	*Note (g)*	*Note (i)*	
NON-CURRENT ASSETS						
Property, plant and equipment	233,850	(1,133)				232,717
Investment properties	222,573					222,573
Prepaid land lease payments	50,309					50,309
Interests in joint ventures	409,718					409,718
Interests in associates	736,599					736,599
Available-for-sale investments	172,548					172,548
Total non-current assets	1,825,597					1,824,464
CURRENT ASSETS						
Properties under development	7,936,388					7,936,388
Completed properties for sale	1,275,002	(17,877)				1,257,125
Trade receivables	18,218					18,218
Prepayments, deposits and other receivables	3,068,099	(38,542)	(28,779)		1,511,011	4,511,789
Amounts due from customers for contract work	–	(28,779)	28,799			–
Amounts due from fellow subsidiaries	–	(396,857)			396,857	–
Amount due from intermediate holding company	–	(2,115,107)			2,115,107	–
Amounts due from related parties	–	(412,878)	412,878			–
Amounts due from associates and joint ventures	1,572,238		(412,878)			1,159,360
Prepaid tax	129,685	(352)				129,333
Pledged bank deposits	1,139,562					1,139,562
Cash and bank balances	432,653	(16,744)		(1,500)		414,409
Total current assets	15,571,845					16,566,184
CURRENT LIABILITIES						
Trade and bills payables	790,275	(636,775)				153,500
Deposits received from pre-sales of properties	1,511,490					1,511,490
Other payables and accruals	1,125,441	(47,002)			396,857 2,115,107 (611,765)	2,978,638
Amounts due to fellow subsidiaries	–	(1,511,011)			1,511,011	–
Amount due to a substantial shareholder of the Company	3,366					3,366
Tax payable	732,777			94,441		827,218
Interest-bearing bank and other borrowings	4,087,704	(365,492)				3,722,212
Total current liabilities	8,251,053					9,196,424
NET CURRENT ASSETS	7,320,792					7,369,760
TOTAL ASSETS LESS CURRENT LIABILITIES	9,146,389					9,194,224

	The Group as at 30 September 2015 *(Unaudited)*	**Pro forma adjustments**				**The Remaining Group as at 30 September 2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note (a)	*Note (b)*	*Note (c)*	*Note (g)*	*Note (i)*	
CAPITAL AND RESERVES						
Share capital	418,587					418,587
Reserves	3,698,454			243,069		3,941,523
Equity attributable to owners of the Company	4,117,041					4,360,110
Non-controlling interests	3,146					3,146
Total equity	4,120,187					4,363,256
NON-CURRENT LIABILITIES						
Interest-bearing bank and other borrowings	4,803,121	(195,234)				4,607,887
Deferred tax liabilities	223,081					223,081
Total non-current liabilities	5,026,202					4,830,968
	9,146,389					9,194,224

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

	The Group for the six months ended 30 September 2015 *(Unaudited)*	Pro forma adjustments				The Remaining Group for the six months ended 30 September 2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note (a)	*Note (d)*	*Note (e)*	*Note (h)*	*Note (j)*	
Continuing operations						
Revenue	309,566	(48,665)				260,901
Cost of sales	(289,150)	44,427				(244,723)
Gross profit	20,416					16,178
Other income and gains	4,961	(90)				4,871
Marketing and selling expenses	(22,970)					(22,970)
Administrative expenses	(103,521)	7,021				(96,500)
Other expenses	(7,124)					(7,124)
Finance costs	(98,567)	34,857				(63,710)
Share of profit of associates	3,935					3,935
Share of loss of joint ventures	(14,710)					(14,710)
Loss before taxation	(217,580)					(180,030)
Taxation	25,977	242				26,219
(Loss) profit for the period	(191,603)					(153,811)
Discontinued operation						
(Loss) profit for the period from discontinued operation	–	(37,792)	37,792	193,921		193,921
(Loss) profit for the period	(191,603)					40,110
Other comprehensive expense						
Items that will not be reclassified subsequently to profit or loss						
Exchange differences arising on translation to presentation currency	(124,776)	11,356			(1,253)	(114,673)
Total comprehensive expense for the period	(316,379)					(74,563)
(Loss) profit for the period attributable to:						
From continuing operations						
Owners of the Company	(191,363)	37,792				(153,571)
Non-controlling interests	(240)					(240)
From discontinued operation						
Owners of the company	–	(37,792)	37,792	193,921		193,921
	(191,603)					40,110
Total comprehensive (expense) income attributable to:						
Owners of the Company	(314,744)	49,148		193,921	(1,253)	(72,928)
Non-controlling interests	(1,635)					(1,635)
	(316,379)					(74,563)

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

	The Group for the six months ended 30 September 2015 *(Unaudited)* *HK$'000* *Note (a)*	Pro forma adjustments *HK$'000* *Note (e)*	*HK$'000* *Note (f)*	The Remaining Group for the six months ended 30 September 2015 *HK$'000*
Net cash used in operating activities				
Increase in properties under development	(235,194)			(235,194)
Decrease in completed properties for sale	295,620	(521)		295,099
Increase in prepayments, deposits and other receivables	(467,133)	10,467	(118,036) (76,675)	(651,377)
Decrease in amounts due from customer for contract work	–	(118,036)	118,036	–
Increase in amounts due from fellow subsidiaries	–	170,504	(170,504)	–
Increase in amounts due to fellow subsidiaries	–	(76,675)	76,675	–
Increase in deposits received from pre-sales of properties	560,452			560,452
Decrease in trade payables	(628,734)	34,957		(593,777)
Decrease in other payables and accruals	(319,598)	374		(319,224)
Tax paid	(75,559)	21,633		(53,926)
Other operating cash flows	(50,827)	88,846		38,019
	(920,973)			(959,928)
Net cash from investing activities				
Purchases of property, plant and equipment	(11,543)	176		(11,367)
Acquisition of interest in/capital injections to joint ventures	(10,510)			(10,510)
Repayment from joint ventures and associates	48,301			48,301
Advance to intermediate holding company	–	453,388	(453,388)	–
Decrease in pledged bank deposits	324,133			324,133
Decrease in restricted bank deposits	412,116			412,116
Other investing cash flows	(264)			(264)
	762,233			762,409
Net cash from financing activities				
New bank and other borrowings	3,502,678	(575,967)	623,892	3,550,603
Repayment of bank and other borrowings	(3,137,888)			(3,137,888)
Interest paid	(339,982)	2,214		(337,768)
Other financing cash flows	(582)			(582)
	24,226			74,365
NET DECREASE IN CASH AND CASH EQUIVALENTS	(134,514)			(123,154)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	322,704	(30,263)		292,441
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	47,349	2,159		49,508
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	235,539			218,795

Notes:

(a) The unaudited condensed consolidated statement of financial position of the Group as at 30 September 2015, the unaudited condensed consolidated statement of profit or loss and other comprehensive income and the unaudited condensed consolidated statement of cash flows for the six months period ended 30 September 2015 are extracted from the 2015 Interim Report.

(b) The adjustment reflects the deconsolidation of assets and liabilities of the Disposal Group as at 30 September 2015 as if the Disposal had completed on 30 September 2015. The financial information of the Disposal Group is extracted from its unaudited consolidated financial information for each of the three years ended 31 March 2015 and the six months ended 30 September 2015 ("Unaudited Consolidated Financial Information") as set out in Appendix II to this circular.

(c) In order to conform with the presentation and classification adopted in the Group's unaudited condensed consolidated financial statements for the six months ended 30 September 2015, reclassification adjustment is made in respect of (i) amounts due from related parties of the Disposal Group of HK$412,878,000 to amounts due from associates and joint ventures; and (ii) amounts due from customers for contract work of the Disposal Group of HK$28,779,000 to prepayment, deposits and other receivables.

(d) Since the operation of the Disposal Group represents one of the operating segments of the Group, the disposal of the Disposal Group is considered as a discontinued operation by the directors of the Company. The adjustment reflects the reclassification of the financial performance of the Disposal Group for the six months ended 30 September 2015 separately as a discontinued operation. The financial information of the Disposal Group is extracted from the Unaudited Consolidated Financial Information as set out in Appendix II to this circular.

(e) The adjustment reflects the deconsolidation of (i) financial performance of the Disposal Group for the six months ended 30 September 2015 that is reported as a discontinued operations; and (ii) cash flows of the Disposal Group for the six months ended 30 September 2015 as if the Disposal had completed on 1 April 2015. The cash flows information of the Disposal Group is extracted from the Unaudited Consolidated Financial Information as set out in Appendix II to this circular.

Other operating cash flows of HK$88,846,000 mainly represents cash flows relating to amounts due from related parties of HK$86,481,000.

(f) In order to conform with the presentation and classification adopted in the Group's unaudited condensed consolidated statement of cash flows for the six months ended 30 September 2015, cash flows relating to amounts due from customers for contract works of HK$118,036,000 have been reclassified to cash flow relating to prepayments, deposits and other receivables.

Cash flows relating to amount due from fellow subsidiaries of HK$170,504,000 and advance to intermediate holding company of HK$453,388,000 have been reclassified to cash flows relating to new bank and other borrowings.

In addition, cash flows relating to amounts due to fellow subsidiaries of HK$76,675,000 have been reclassified to cash flows relating to prepayments, deposits and other receivables.

(g) The adjustment reflects the pro forma gain on the Disposal in relation to the discontinued operation of the Group assuming the Disposal had taken place on 30 September 2015.

	HK$'000
Carrying amount of net assets of the Disposal Group (extracted from Unaudited Consolidated Financial Information set out in Appendix II to this circular)	272,755
Carrying amount of debt owned by the Remaining Group to be waived*	(611,765)
Total carrying amount of net liabilities to be disposed of as at 30 September 2015	(339,010)
Consideration*	–
Transaction cost – professional fee**	1,500
Tax in relation to the Disposal***	94,441
Gain on the Disposal at 30 September 2015	243,069

* Debt of the Remaining Group due to the Disposal Group in the amount that ranges from RMB470,000,000 to RMB570,000,000 (equivalent to HK$552,941,000# to HK$670,588,000#) (the "Range") will be waived as part of terms of the agreement for the Disposal.

For the purpose of preparation of this pro forma financial information, RMB520,000,000 (equivalent to HK$611,765,000#), which represents the mid-point of the Range is regarded as the debt being waived. The exact amount of the debt to be waived could only be ascertained at a later stage after the completion of the findings and the due diligence exercise.

** The Group estimated that the professional fee directly attributable to the Disposal is HK$1,500,000.

*** Taxation in relation to the Disposal is charged at the People's Republic of China Enterprise Income Tax rate of 25%.

Based on the spot exchange rate on 30 September 2015

(h) The adjustment reflects the pro forma gain on the Disposal in relation to the discontinued operations of the Group assuming the Disposal had been taken place on 1 April 2015.

	HK$'000
Carrying amount of net assets of the Disposal Group (extracted from Unaudited Consolidated Financial Information set out in the Appendix II to this circular)	321,903
Carrying amount of debt owned by the Remaining Group to be waived (see note g)	(611,765)
Total carrying amount of net liabilities to be disposed of as at 1 April 2015	(289,862)
Consideration (see note g)	–
Transaction cost – professional fee	1,500
Tax in relation to the Disposal (see note g)	94,441
Gain on the Disposal at 1 April 2015	193,921

The Group estimated that the professional fee directly attributable to the Disposal is HK$1,500,000.

This pro forma adjustment is not expected to have a continuing effect on the unaudited pro forma consolidated statement of profit or loss and other comprehensive income or the unaudited pro forma consolidated statement of cash flows of the Remaining Group.

(i) As at 30 September 2015, the Remaining Group has a payable balance due to the Disposal Group which represents a combined effect of amounts due from fellow subsidiaries of HK$396,857,000, amount due from intermediate holding company of HK$2,115,107,000 as disclosed in the Unaudited Consolidated Financial Information as set out in Appendix II to this circular netting off the waiver of the debt of HK$611,765,000. As a result of the Disposal, such balance would no longer be eliminated. The adjustment reflects the recognition of amount due to the Disposal Group which has previously been eliminated in full on consolidation.

As at 30 September 2015, the Remaining Group has made deposits of HK$1,511,011,000 to the Disposal Group which reported as amounts due to fellow subsidiaries in the Unaudited Consolidated Financial Information as set out in Appendix II to this circular. As a result of the Disposal, such balance would no longer be eliminated. The adjustment reflects the recognition of deposits paid which have previously been eliminated in full on consolidation.

(j) The adjustment reflects the exchange difference of HK$1,253,000 resulting from translating the gain on the Disposal in note (h) of the pro forma adjustments from RMB (functional currency of the Disposal Group) to HK$ (presentation currency of the Group) in accordance with the requirements under Hong Kong Accounting Standard 21 "The Effect of Changes in Foreign Currency Rates".

(k) No other adjustments have been made to reflect any trading result or other transactions of the Group and the Disposal Group entered into subsequent to 30 September 2015.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

Directors' interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of the Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange were as follows:

(i) Interests and short positions in shares and underlying shares of the Company

		Number of Shares held or short positions, capacity and nature of interest		
Name of Director	*Note*	**Beneficial owner**	**Interest in controlled corporation**	**Percentage of the Company's issued share capital**
Mr. Jiang Ming	*(a)*	–	1,531,261,978 (L)	36.58%
Mr. Tao Lin	*(a)*	27,000,000 (L)	1,531,261,978 (L)	37.23%
Ms. Wang Hongmei	*(a)*	28,344,000 (L)	1,531,261,978 (L)	37.26%
Mr. Cai Shaobin		76,701,000 (L)	–	1.83%
Mr. Chen Xiaotian		2,000,000 (L)	–	0.05%
Mr. Wong Kai Cheong		2,000,000 (L)	–	0.05%
Mr. Yang Jiangang		2,000,000 (L)	–	0.05%

L: Long position

Note:

(a) 1,531,261,978 shares are beneficially owned by Coastal International Holdings Limited ("CIH"), of which the entire issued voting share capital is held as to 37.58% by Mr. Jiang Ming, 5.38% by Mr. Tao Lin, 21.42% by Great Scope Investments Limited (the entire issued voting share capital of which is held by Mr. Jiang Ming) and 5.38% by Cyberich Development Limited (the entire issued voting share capital of which is held by Ms. Wang Hongmei). These 1,531,261,978 shares represent an aggregate of approximately 36.58% of the issued share capital of the Company.

(ii) Interests in shares of the associated corporation of the Company

	Number of Shares held or short positions, capacity and nature of interest		
Name of director	**Beneficial owner**	**Interest in controlled corporation**	**Percentage of the associated corporation's issued share capital**
Mr. Jiang Ming	3,758 (L)	2,142 (L)	59% of CIH
Mr. Tao Lin	538 (L)	–	5.38% of CIH
Ms. Wang Hongmei	–	538 (L)	5.38% of CIH

L: Long position

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) where were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors is a director or employee of a company which had, or was deemed to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. COMPETING INTEREST

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or their respective associates had any interest in a business which competes or may compete, either directly or indirectly, with the business of the Group, or have or may have any other conflicts of interest with the Group.

4. DIRECTORS' SERVICE CONTRACTS

None of the Directors had entered or been proposed to enter into any service contract with the Company or any other member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation) as at the Latest Practicable Date.

5. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, none of the Directors were materially interested in any contract or arrangement entered into by any member of the Group which was subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group. As at the Latest Practicable Date, save as disclosed in this circular, none of the Directors had any interest, directly or indirectly, in any assets which have been, since 31 March 2015 (being the date to which the latest published audited consolidated accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

6. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the members of the Group within the two years immediately preceding the date of this circular and are or may be material:

(i) the conditional sale and purchase agreement entered into between Shenzhen Coastal Property Investment Limited and Xiamen Yi Tao Trading Limited and dated 18 June 2014 in relation to the disposal of the 40% of the registered capital of Changsha Xinhongxin Real Estate Development Co., Limited for a consideration of RMB59,200,000 (equivalent to HK$74,000,000);

(ii) the conditional sale and purchase agreement entered into between the Shanghai Coastal Greenland Real Estate Ltd Property Investment Limited and Xiamen Yi Tao Trading Limited and dated 28 July 2014 in relation to the disposal of the 25% of the registered capital of Beijing Ziguang Yan Hai Lian He Investment Co., Limited for a consideration of RMB95,000,000 (equivalent to HK$118,750,000);

(iii) the loan agreement dated 25 August 2014 and entered into between Coastal Greenland Development (Wuhan) Co., Ltd., Nanjing Yuan Ding Enterprise Co., Ltd. and Bank of Shanghai Company Limited in relation to the provision of the entrusted loan in the principal amount of RMB200,000,000 (equivalent to approximately HK$250,000,000);

(iv) the conditional sale and purchase agreement entered into on 14 April 2015 between Coastal Realty Investment (China) Limited, Shenzhen Chuangzhixin Investment Management Company Limited, wholly owned subsidiaries of the Company, and Jinzhong City Gaosheng Shunxin Investment Enterprises (Limited Partnership), Beijing Meilehong Investment Consultancy Company Limited and Beijing Zhongzhou Huayuan Project Investment Management Company Limited, all being Independent Third Parties, in relation to the acquisition of 81% of the registered and paid up capital of Hengxiang Real Estate Development Company Limited by Coastal Realty Investment (China) Limited for an aggregate consideration of RMB602,700,000 (equivalent to approximately HK$746,840,000); and

(v) the Disposal Agreement.

7. EXPERT AND CONSENT

The following is the qualification of the expert or professional adviser who has given opinion or advice contained in this circular:

Name	**Qualification**
Deloitte Touche Tohmatsu	Certified Public Accountants

As at the Latest Practicable Date, Deloitte Touche Tohmatsu has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, Deloitte Touche Tohmatsu did not have any shareholding in any member of the Remaining Group or any right (whether legally enforceable or not) to subscribe for securities in any member of the Remaining Group.

As at the Latest Practicable Date, Deloitte Touche Tohmatsu was not interested, directly or indirectly, in any assets which have been or are proposed to be acquired or disposed of by or leased to any member of the Remaining Group since 31 March 2015, the date to which the latest audited financial statements of the Company were made up.

8. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries were engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

9. GENERAL

(a) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

(b) The head office and principal place of business in Hong Kong of the Company is situated at Suite 1712-16, 17th Floor, China Merchants Tower, Shun Tak Centre, 200 Connaught Road, Central, Hong Kong.

(c) The branch share registrar and the transfer office of the Company in Hong Kong is Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

(d) The company secretary of the Company is Mr. Cheng Wing Bor, who is a member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants, United Kingdom.

(e) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text thereof.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours on Business Days at the office of the Company at Suite 1712-16, 17th Floor, China Merchants Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong from the date of this circular up to and including the date of the SGM:

(a) the memorandum of association and bye-laws of the Company;

(b) the Disposal Agreement;

(c) the accountants' report on the Target Group, the text of which is set out in Appendix II to this circular;

(d) the accountants' report in respect of the unaudited pro forma financial information of the Remaining Group, the text of which is set out in Appendix III to this circular;

(e) the letter of consent referred to under the paragraph headed "Expert and Consent" in this appendix;

(f) the annual reports of the Company for the years ended 31 March 2014 and 31 March 2015 and the interim report of the Company for the six months ended 30 September 2015, respectively;

(g) the material contracts referred to in the paragraph headed "Material Contracts" in this appendix;

(h) circular issued pursuant to the requirements set out in Chapters 14 and/or 14A which has been issued since 31 March 2015; and

(i) this circular.

COASTAL GREENLAND LIMITED
沿海綠色家園有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 1124)

NOTICE IS HEREBY GIVEN that a special general meeting (the "**SGM**") of Coastal Greenland Limited (the "**Company**") will be held at Suite 1712-16, 17th Floor, China Merchants Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong on 29 March 2016 at 2:00 p.m. to consider and, if thought fit, pass with or without modification, the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

"**THAT**:

(a) the agreement dated 11 January 2016 (the "**Disposal Agreement**") (copy of which, signed by the Chairman of the meeting for the purposes of identification, has been produced to the meeting marked "**A**") entered into among Shanghai Coastal Commercial Investment Management Co., Ltd. and Ms. Yang Jiong Xuan as vendors and Fujian Province Huiwu Construction Engineering Company Limited as purchaser in relation to, among others, the disposal of 100% of the registered capital of Jingdian Construction Co., Ltd. at nil consideration and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and

(b) any one or more of the directors of the Company be and is/are hereby authorised to take all steps necessary or expedient in his/her/their opinion to implement and/or give effect to the Disposal Agreement and the transactions contemplated thereunder."

By order of the Board
Coastal Greenland Limited
Jiang Ming
Chairman

Hong Kong, 8 March 2016

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head office and principal place of business in Hong Kong:
Suite 1712-16, 17th Floor
China Merchants Tower
Shun Tak Centre
200 Connaught Road Central
Hong Kong

Notes:

1. A member entitled to attend and vote at the SGM is entitled to appoint one or more proxy or proxies to attend and, subject to the provisions of the bye-laws of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the SGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.

2. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, at the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the SGM or any adjournment thereof, should he so wish.

3. In the case of joint holders of shares of the Company, any one of such holders may vote at the SGM, either personally or by proxy, in respect of such shares as if he was solely entitled thereto, but if more than one of such joint holders are present at the SGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.