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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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

**VERY SUBSTANTIAL DISPOSAL  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

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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 the Company to be held at Suite 1712-16, 17th Floor, China Merchants Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong on Thursday, 17 May 2018 at 2:00 p.m. or any adjournment thereof is set out on pages SGM-1 to SGM-2 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 Tuesday, 15 May 2018 at 2:00 p.m. (Hong Kong time). 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.

30 April 2018

\* for identification purposes only

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## DEFINITIONS

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

“Board”	the board of Directors
“Beijing Tianlun”	Beijing Tianlun Huanyu Investment Management Co., Ltd* (北京天倫寰宇投資管理有限公司), a company established in the PRC with limited liability
“Business Day(s)”	a day on which licensed banks in the PRC are generally open for business throughout their normal business hours
“Coastal Wuhan”	Coastal Greenland Development (Wuhan) Ltd* (沿海綠色家園發展(武漢)有限公司), a company established in the PRC with limited liability
“Company”	Coastal Greenland Limited (沿海綠色家園有限公司*), a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1124)
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Disposal Agreement
“Conditions Precedent”	the conditions precedent for Completion as set out under the Disposal Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration to be paid by the Purchaser to the Company of RMB3.8 billion (equivalent to approximately HK\$4.58 billion) for the Disposal
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the entire equity interests in the Target Company pursuant to the terms and conditions of the Disposal Agreement
“Disposal Agreement”	the agreement dated 13 January 2018 entered into between the Company and the Purchaser in relation to the disposal of entire equity interests in the Target Company, as supplemented by a supplemental agreement dated 19 April 2018 between the same parties

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## DEFINITIONS

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“Foshan Harmonious”	Foshan Harmonious Realty Development Co., Ltd* (佛山和諧家園房地產有限公司), a company established in the PRC with limited liability
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“HKFRSs”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected persons (as defined in the Listing Rules) or their respective associates
“Latest Practicable Date”	26 April 2018, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China which, for the purposes of this circular, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Purchaser”	Affluent Ocean International Limited (裕海國際有限公司), a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of Yuzhou Properties
“Remaining Group”	the Group excluding the Target Group after Completion
“Reorganisation”	the reorganisation of the Target Group which comprises the Target Company purchasing the entire issued share capital of the project companies subject to the Disposal

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## DEFINITIONS

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“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened and held to consider and, if thought fit, approve the Disposal Agreement and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s) of the Company
“Shenyang Coastal”	Shenyang Coastal Rongtian Real Estate Co., Ltd* (瀋陽沿海榮天置業有限公司), a company established in the PRC with limited liability
“Shenyang Market Real Estate Development”	Shenyang Market Real Estate Development Co., Ltd.* (瀋陽市市場開發有限公司), a company established in the PRC with limited liability
“Shenyang Zhongguang”	Shenyang Zhong Guang Bei Fang Ying Shi Cheng Co., Ltd* (瀋陽中廣北方影視城有限公司), a company established in the PRC with limited liability
“sq.m”	square metre(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Century East Group Limited (恒華集團有限公司), a company incorporated in the British Virgin Islands with limited liability and directly wholly-owned by the Company

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## DEFINITIONS

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“Target Group”	the Target Company and its subsidiaries following the completion of Reorganisation which shall include project companies namely Beijing Tianlun, Coastal Wuhan, Foshan Harmonious, Shenyang Coastal, Shenyang Zhongguang, Tianjin Harmonious and Wuhan Zhisheng. For the purpose of preparing the unaudited combined financial information in Appendix II to this circular, (i) exclude Foshan Harmonious and Wuhan Zhisheng which were yet to be subsidiaries of the Company during the reporting periods; and (ii) include Coastal Development (Anshan) Ltd., Dongguan Riviera Garden Development Co., Ltd., Shanghai Coastal Greenland Real Estate Ltd., Shanghai Xinhongda Real Estate Ltd. and certain indirect subsidiaries which are currently subsidiaries of the Company but are not deconsolidated before completion of Reorganisation
“Tianjin Harmonious”	Tianjin Harmonious Realty Development Co., Limited* (天津和諧家園建設開發有限公司), a company established in the PRC with limited liability
“Tianjin Harmonious Resolutions”	the shareholders’ resolutions or directors’ resolutions of Tianjin Harmonious or a memorandum confirming that in the event the Purchaser tenders a bid for the primary land held by Tianjin Harmonious, the other shareholders of Tianjin Harmonious will not tender any bid
“Wuhan Zhisheng”	Wuhan Zhisheng Group Co., Ltd* (武漢致盛集團有限公司), a company established in the PRC with limited liability
“Yuzhou Properties”	Yuzhou Properties Company Limited (禹洲地產股份有限公司), a company incorporated under the laws of the Cayman Islands with limited liability and whose shares are listed on the Main Board of the Stock Exchange (stock code: 1628)
“%”	per cent.

\* For identification purpose only

*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 RMB0.82997. 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.*

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LETTER FROM THE BOARD

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

*Executive Directors:*

Mr. Jiang Ming  
Mr. Tao Lin  
Mr. Xia Xianglong  
Dr. Li Ting

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

*Non-executive Directors:*

Mr. Lu Jiqiang  
Mr. Zhu Guoqiang

*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

*Independent non-executive Directors:*

Mr. Wong Kai Cheong  
Mr. Yang Jiangang  
Mr. Huang Xihua

30 April 2018

*To the Shareholders*

Dear Sir/Madam,

**VERY SUBSTANTIAL DISPOSAL  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

**INTRODUCTION**

On 13 January 2018, the Company and the Purchaser entered into the Disposal Agreement, pursuant to which the Company conditionally agreed to sell and the Purchaser conditionally agreed to purchase the entire equity interests in the Target Company at a total consideration of approximately RMB3.8 billion (equivalent to approximately HK\$4.58 billion).

\* for identification purposes only

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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with, among other things, (i) further details of the Disposal Agreement and the Target Company; (ii) the financial information of the Group; (iii) the financial information of the Target Group; and (iv) the notice of the SGM.

### INFORMATION ON THE TARGET GROUP

The Target Company is a limited company incorporated under the laws of the British Virgin Islands which is directly wholly-owned by the Company. According to the Disposal Agreement, the Company will carry out the Reorganisation to transfer (i) the equity interests in all project companies subject to the Disposal and (ii) the balance of receivable from a PRC local government amounting to RMB152 million to the Target Company. Following the completion of the Reorganisation, the Target Group will consist of seven project companies namely Beijing Tianlun, Coastal Wuhan, Foshan Harmonious, Shenyang Coastal, Shenyang Zhongguang, Tianjin Harmonious and Wuhan Zhisheng which are currently undertaking property projects for sale and under development.

Beijing Tianlun is a company established in the PRC with limited liability. The principal business of Beijing Tianlun is property investment. Beijing Tianlun is currently undertaking a project to develop office building in Chaoyang District.

Coastal Wuhan is a company established in the PRC with limited liability. The principal business of Coastal Wuhan is property development. Coastal Wuhan is currently undertaking a residential property project in Dongxihu District.

Foshan Harmonious is a company established in the PRC with limited liability. The principal business of Foshan Harmonious is property development. Foshan Harmonious is currently undertaking a commercial property project in Chancheng District.

Shenyang Coastal is a company established in the PRC with limited liability. The principal business of Shenyang Coastal is property development. Shenyang Coastal is currently undertaking a hotel project in Hunnan New District.

Shenyang Zhongguang is a company established in the PRC with limited liability. The principal business of Shenyang Zhongguang is property development. Shenyang Zhongguang is currently undertaking a mixed use project in Sujiatun District.

Tianjin Harmonious is a company established in the PRC with limited liability. The principal business of Tianjin Harmonious is property development. Tianjin Harmonious is currently undertaking a primary land development project in Beichen District.

Wuhan Zhisheng is a company established in the PRC with limited liability. The principal business of Wuhan Zhisheng is property development. Wuhan Zhisheng is currently undertaking a commercial property project in Jiangnan District.

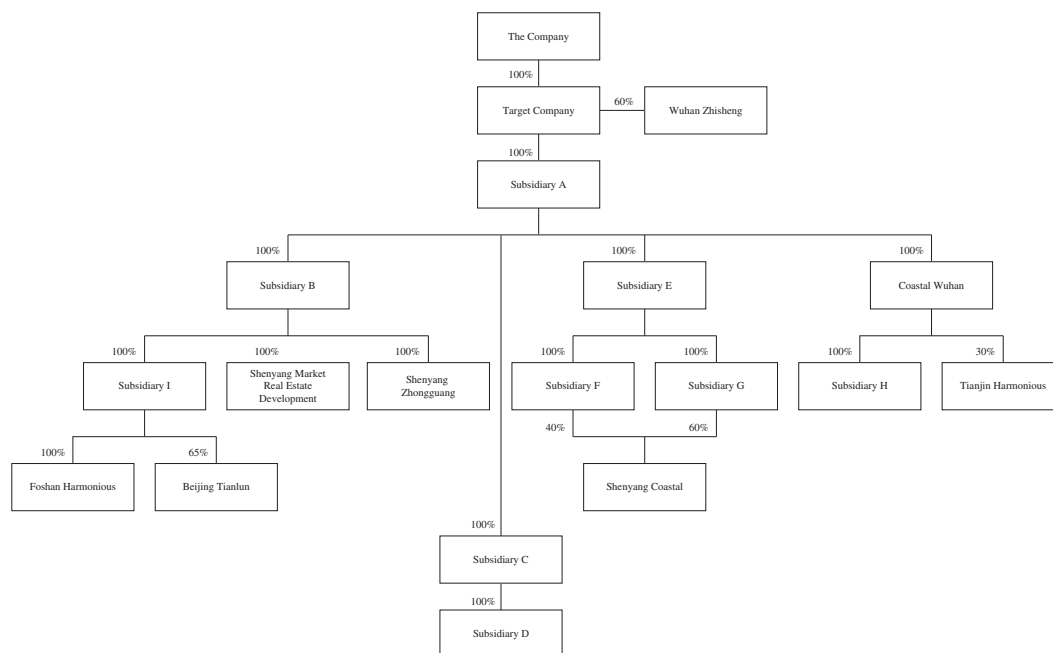


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## LETTER FROM THE BOARD

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### Shareholding structure of the Target Group and the Company after Reorganisation and immediately before Completion



Prior to the Reorganisation, the Group is expected to complete its buyout of Foshan Harmonious and Wuhan Zhisheng, being two of the project companies subject to the Disposal, from the respective project partners which are Independent Third Parties.

Reference is made to the Company's announcements dated 10 January 2018 and 18 April 2018 in relation to the exercise of put options by the respective project partners concerning the Foshan project and Wuhan Lingjiao Hu project. On 10 January 2018 and 18 April 2018, the Group has increased its shareholding in Foshan Harmonious from 20% to 100% and Wuhan Zhisheng from 30% to 90%, respectively. Upon Completion, the Group is expected to dispose of the entire equity interests in Foshan Harmonious and 60% equity interests in Wuhan Zhisheng.

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## LETTER FROM THE BOARD

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Set out below is the unaudited combined financial information of the Target Group as prepared in accordance with the HKFRSs for each of the years ended 31 March 2016 and 2017:

	<b>For the year ended/ as at 31 March 2016 (unaudited) HK\$'000</b>	<b>For the year ended/ as at 31 March 2017 (unaudited) HK\$'000</b>
Revenue	638,728	1,072,724
(Loss)/profit before tax	(153,979)	1,837,666
(Loss)/profit after tax	(212,336)	1,388,933
Total assets	13,823,191	11,732,570
Total liabilities	(11,816,894)	(8,489,698)
Net assets	2,006,297	3,242,872

Set out below is the unaudited financial information of Foshan Harmonious and Wuhan Zhisheng as prepared in accordance with the HKFRSs for each of the years ended 31 March 2016 and 2017:

*Foshan Harmonious*

	<b>For the year ended/ as at 31 March 2016 (unaudited) HK\$'000</b>	<b>For the year ended/ as at 31 March 2017 (unaudited) HK\$'000</b>
Revenue	558,041	141,237
Profit before tax	187,511	43,094
Profit after tax	104,537	19,086
Total assets	524,865	465,083
Total liabilities	(168,107)	(114,368)
Net assets	356,758	350,715

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## LETTER FROM THE BOARD

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Wuhan Zhisheng

	<b>For the year ended/ as at 31 March 2016 (unaudited) HK\$'000</b>	<b>For the year ended/ as at 31 March 2017 (unaudited) HK\$'000</b>
Revenue	–	1,321,294
(Loss)/profit before tax	(16,206)	52,011
(Loss)/profit after tax	(16,206)	45,694
Total assets	1,679,520	1,339,182
Total liabilities	(1,681,229)	(1,295,122)
Net (liabilities) assets	(1,709)	44,060

The unaudited net asset value of the Target Group, Foshan Harmonious and Wuhan Zhisheng amounted to HK\$4,148 million, HK\$394 million and HK\$338 million as at 31 December 2017 respectively.

Subject to and upon Completion, the Company will cease to have any equity interest in the Target Group and the members of the Target Group will cease to be subsidiaries, joint venture or associate of the Company.

### THE DISPOSAL AGREEMENT

#### Date

13 January 2018

#### Parties

Vendor:	Coastal Greenland Limited (沿海綠色家園有限公司*)
Purchaser:	Affluent Ocean International Limited (裕海國際有限公司)
Target Company:	Century East Group Limited (恒華集團有限公司)

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## LETTER FROM THE BOARD

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The vendor is the Company which was incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1124). The principal activity of the Company is investment holding. The principal activities of the principal subsidiaries comprise property development, property investment, provision of project management services and project investment services.

The Purchaser is a company incorporated in the British Virgin Islands with limited liability. The Purchaser is principally engaged in investment holding. It is a wholly-owned subsidiary of Yuzhou Properties. Yuzhou Properties is a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1628). To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Purchaser and Yuzhou Properties, being its ultimate beneficial owner, are Independent Third Parties.

### Assets to be disposed of

The principal assets of the Target Group are the project companies undertaking property projects for sale and/or under development. Details of such projects companies are set out below:

Project company	Project name	Location	Project type	Equity interests	Project status
Beijing Tianlun	Beijing Jian Guo Men Wai Project	Chaoyang District, Beijing	Office	65%	Under development
Coastal Wuhan	Wuhan Silo City	Dongxihu District, Wuhan	Residential	100%	Under development and for sale
Foshan Harmonious	Foshan Coastal Garden	Chancheng District, Foshan City	Commercial	100%	Completed for sale
Shenyang Coastal	Shenyang Coastal International Centre	Hunnan New District, Shenyang	Hotel	100%	Under development and for sale
Shenyang Zhongguang	Shenyang Sujiatun Project	Sujiatun District, Shenyang	Mixed use	100%	Under development
Tianjin Harmonious	Tianjin Project	Beichen District, Tianjin	Primary land development	30%	Under development
Wuhan Zhisheng	Wuhan Lingjiao Hu Project	Jiangnan District, Wuhan	Commercial	60%	Completed for sale

The Company also conditionally agreed to dispose of the balance of receivable from a PRC local government amounting to RMB152 million which is owned by Shenyang Market Real Estate Development on a dollar-for-dollar basis.

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## LETTER FROM THE BOARD

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### **Consideration**

The Consideration is RMB3.8 billion (equivalent to approximately HK\$4.58 billion) which was determined after arm's length negotiation with reference to (i) the unaudited net asset value of the Target Group; (ii) the balance of receivable from a PRC local government on dollar-for-dollar basis; and (iii) waiver of debt owed to the Target Group. The Directors consider that the terms and conditions of the Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Payment of the Consideration**

The Consideration shall be payable by the Purchaser to the Company in the following manner:

- (i) within two Business Days of the date of the Disposal Agreement, the Purchaser shall pay RMB700 million among which RMB400 million shall be regarded as deposit;
- (ii) within five Business Days of the passing of the Tianjin Harmonious Resolutions, the Purchaser shall pay RMB500 million;
- (iii) within ten days following the completion of due diligence exercise by the Purchaser and five Business Days of the Purchaser not having raised any material issues that will affect the fulfilment of the Disposal Agreement, the Purchaser shall pay RMB800 million;
- (iv) within three Business Days of the Completion, the Purchaser shall pay RMB1.6 billion; and
- (v) within three months of the Completion, the Purchaser shall pay the remaining balance of the Consideration.

### **Conditions precedent**

Completion is conditional upon fulfilment of the following:

- (i) the due diligence exercise on the legal issues and financial situation of the Target Company and the Target Group to be carried out having been completed to the satisfaction of the Purchaser. If any potential issue and/or problem was found during the process of due diligence exercise, such issue and/or problem having been addressed within the period required by the Purchaser and to the satisfaction of the Purchaser;

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## LETTER FROM THE BOARD

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- (ii) the transactions contemplated under the Disposal Agreement having obtained all the relevant and necessary approvals and consents, including but not limited to governmental approval, if applicable;
- (iii) approval of the Disposal Agreement and the transactions contemplated thereunder by Shareholders at the SGM;
- (iv) the Reorganisation having been completed to the satisfaction of the Purchaser; and
- (v) the declarations, warranties and undertakings given by the Company under the Disposal Agreement in relation to the Target Group remaining true and accurate in all material respects and not misleading in any material respect.

If any of the Conditions Precedent is not fulfilled within 120 days upon signing of the Disposal Agreement (or such later date as the parties may agree in writing), the Disposal Agreement shall be expired and terminated, and neither party to the Disposal Agreement shall have any obligations and liabilities towards each other save for any antecedent breaches of the terms of the Disposal Agreement. As at the Latest Practicable Date, none of the Condition Precedent has been fulfilled and both the Purchaser and the Company have no intention to waive any of the Condition Precedent.

### **Completion**

Completion shall take place within 10 days of the fulfillment or waiver of all the Conditions Precedent.

### **Termination**

The Disposal Agreement shall be terminated if (i) the Disposal Agreement and the transactions contemplated thereunder are not approved by the Stock Exchange; or (ii) the Conditions Precedent is not fulfilled within 120 days upon signing of the Disposal Agreement (or such later date as the parties may agree in writing).

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

Having regard to the increasingly challenging business environment and the uncertainties of the prospect of the property market in the PRC, the Board considers that the Disposal will enable the Group to realise its investment in the project companies at the fair value as part of the Group's property portfolio, reduce its operational risk and for better utilisation of the Group's resources.

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## LETTER FROM THE BOARD

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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 Company will retain a total of ten property projects completed for sale or under development in its portfolio which include primary land development, residential and commercial projects located in Anshan, Dalian, Heilongjiang, Zhuhai, Beijing, Chongqing, Wuhan and Shanghai. The Group will continue to seek opportunities to replenish its property portfolio as an on-going business exercise.

Details of the retained property projects are as below:

Project name	Location	Project type	Project status	Equity interests as at 31 December 2017
Anshan Wisdom New City	Lishan District, Anshan	Residential	Completed for sale	100%
Anshan Coastal Xintiandi Project	Lishan District, Anshan	Commercial	Under development	100%
Dalian Coastal International Centre	Shahekou District, Dalian	Mixed use	Completed for sale	100%
Dalian Jianzhu Project	Ganjingzi District, Dalian	Residential	Completed for sale	100%
Jixi Silo City	Jiguan District, Jixi, Heilongjiang	Residential	Under development	85%
Zhuhai Project	Xiangzhou District, Zhuhai	Primary land development	Under development	67%
Beijing Bay Project	Chang Ping District, Beijing	Residential	Under development	40%
Chongqing Silo City	Beipei Town, Chongqing	Residential	Completed for sale	30%
Wuhan Lingjiao Hu Project	Jiangnan District, Wuhan	Commercial	Completed for sale	30%
Shanghai Shui Du South Crest	Qingpu District, Shanghai	Residential	Under development	12%

As at 31 December 2017, the total asset values of the ten property projects are approximately HK\$2.4 billion.

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## LETTER FROM THE BOARD

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

Based on the unaudited net asset value of the Target Group as set out in the Appendix III to this circular (being approximately HK\$3,161 million as at 30 September 2017), it is estimated that the Company will realise an unaudited gain on the Disposal of approximately HK\$959 million, being the difference between the Consideration, the unaudited net asset value of the Target Group, estimated tax impact on the Disposal and other cost related to the Disposal. The estimated gain to be derived from the Disposal has not taken into account any adjustment to the accounts that may arise and be agreed upon based on the findings of the due diligence exercise conducted by the Purchaser and the actual gain on the Disposal to be recognised by the Group will be dependent on the net asset value and the amount of the waiver of debt owned to the Target Group as determined and agreed upon as at Completion.

As set out in Appendix III to this circular, assuming the Disposal had taken place on 31 March 2017, the profit of the Group would increase from HK\$707 million to HK\$1,204 million. Assuming the Disposal had taken place on 30 September 2017, the total assets of the Group would decrease from HK\$15.5 billion to HK\$11.9 billion while total liabilities of the Group would decrease from HK\$10.5 billion to HK\$5.9 billion.

It is currently intended that the net proceeds will be applied (i) around 20% as general working capital of the Group, which will mainly be utilised as labour cost and other operating expenses; (ii) around 25% for repayment of part of the bank borrowings with total outstanding balance of approximately RMB1,601 million, which would fall due immediately upon disposal of equity interest in Tianjin Harmonious, and the Group will settle the remaining balance by internal resources of the Group; (iii) around 30% as project development and construction costs for the retained projects, in particular, as to approximately RMB926 million to be applied to the Zhuhai Project, approximately RMB42 million to be applied to Anshan Coastal Xintiandi Project and approximately RMB52 million to be applied to the Jixi Silo City by the year ending 31 March 2019; and (iv) if suitable opportunities arise, the remaining 25% for business development of the Group.

Among the proceeds intended to be used for business development, the Group plans to allocate approximately RMB950 million to a potential city redevelopment project of an old village in Shenzhen which is currently under negotiation.

### LISTING RULES IMPLICATIONS

As the relevant applicable percentage ratios set forth under Rule 14.07 of the Listing Rules in respect of the Disposal exceed 75% or more, the entering into of the Disposal Agreement and the Disposal constitute a very substantial disposal of the Company under Chapter 14 of the Listing Rules and are subject to the reporting, announcement and the Shareholders' approval requirements under Chapter 14 of the Listing Rules.



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## LETTER FROM THE BOARD

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### 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 Thursday, 17 May 2018 at 2:00 p.m. is set out on pages SGM-1 and SGM-2 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 later than Tuesday, 15 May 2018 at 2:00 p.m. (Hong Kong time). 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.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders have any material interest in the Disposal or are required to abstain from voting at the SGM of the Company to approve the Disposal.

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.

### ADDITIONAL INFORMATION

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

Yours faithfully,  
For and on behalf of the Board of  
**Coastal Greenland Limited**  
**Jiang Ming**  
*Chairman*

**1. FINANCIAL INFORMATION OF THE GROUP**

The financial information of the Group for the two years ended 31 March 2017 are disclosed in the annual reports of the Company for the two years ended 31 March 2017, 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 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 2017.

Annual reports of the Company for the two years ended 31 March 2017:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0727/LTN20170727427.pdf>

<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0728/LTN20160728208.pdf>

**2. INDEBTEDNESS****Borrowings**

At the close of business on 31 March 2018, 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\$3,737,702,000 comprising secured bank borrowings of approximately HK\$366,719,000, secured and guaranteed bank borrowings of approximately HK\$624,025,000 and other secured and guaranteed borrowings of approximately HK\$2,746,958,000. The Group's banking facilities and other borrowings were secured by charges over its assets, including bank deposits, land and buildings, properties under development, completed properties for sale, 99% equity interests in one property-based subsidiary, corporate guarantees from the Company and certain of its subsidiaries and the Group's 30% equity interests in an associate.

**Contingent liabilities**

As at 31 March 2018, the Group had contingent liabilities of approximately HK\$2,324,761,000 and HK\$337,348,000 in respect of guarantees given to banks for mortgage loan facilities granted to property purchasers and banking facilities granted to an associate respectively.

**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 March 2018.

Foreign currency amounts have been translated into Hong Kong dollars at the rates of exchange prevailing at the close of business on 31 March 2018. The Directors are not aware of any material changes in the Group's indebtedness and contingent liabilities since the close of business on 31 March 2018.

**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 12 months from the date of publication of this circular 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 2017, 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 2017, the Group recorded revenue of approximately HK\$1,131,348,000 (2016: HK\$775,043,000) and profit of HK\$707,440,000 (2016: loss of HK\$123,285,000). The increase in revenue was mainly attributable to more properties were completed and delivered to purchasers as compared with the previous year. The turnaround from a loss in year 2016 to a profit in year 2017 was mainly attributable to significant profits generated by the project investments services segment through disposal of 70% equity interest in Tianjin Harmonious Realty during the year. In view of the challenging business environment and the uncertainties of the prospect of the property market in the PRC, the Board considers that the Disposal will enable the Group to realise its investment in the project companies at the fair value as part of the Group's property portfolio, reduce its operational risk and for better utilisation of the Group's resources. The Remaining Group will be principally engaged in property development, property investment, project management and project investment services. The Remaining Group will continue to seek opportunities to replenish its property portfolio as an on-going business exercise.

The economy of the PRC is facing the challenge of consolidation amidst uncertainties in the global market. The PRC central government has been implementing various policies for maintaining a stable and sustainable economy. In the past year, the Group has seen that the government policies in tackling de-leveraging, inventory reduction and supply-side reform are producing positive impacts on the PRC economy and keeping the economy in a steady growth momentum.

In respect of the real estate industry, the PRC government has emphasised its determination to maintain a stable and healthy real estate market during the Central Economic Work Conference held in December 2016. The message from the Conference that "houses are built for dwelling purpose and should not be abused for speculation" signified that the government will formulate policies whenever needed to curb the risk of over investment in the real estate sector so as to prevent asset bubbles and uncontained financial market risks.

As a usual practice, the Group will formulate its business strategy along the direction of government policies. Over the past years, the Group has allocated some more resources into its primary land development business of the property development segment. Going forward, the Group will continue to look for opportunities of participation in city redevelopment of old villages or old plants and factories so as to obtain quality land reserves at decent prices. Upon Completion, the Company will retain a total of ten property projects completed for sale or under development in its portfolio which include primary land development, residential and commercial projects located in Anshan, Dalian, Heilongjiang, Zhuhai, Beijing, Chongqing, Wuhan and Shanghai.

**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 2017 and nine months ended 31 December 2017 (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 2015***Business Review*

For the financial year ended 31 March 2015, the Remaining Group has recorded a revenue of HK\$1,400 million, a decrease of about 29% as compared to the HK\$1,966 million for last year. The property sales revenue for the year mainly came from the sale of Phase VI section A of Dongguan Riveria Villa and Chongqing Coastal Silo City, which respectively represented about 32% and 29% 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 175,000 sq.m. (2014: 5 projects with GFA of 111,000 sq.m.) that were newly completed and delivered during the year ended 31 March 2015. Loss before taxation for the year was HK\$253.8 million, compared to a loss before taxation of HK\$1,133 million for last year. The loss before taxation was mainly attributable to (i) the decrease in gross profit by HK\$160.5 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 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\$295.6 million, compared to a loss attributable to owners of the Company of HK\$869.9 million for last year.

*Market and industry development and segment results*

The Group's business strategy is to develop quality residential estates for the PRC upper to middle class domestic market. During the year, the PRC government has relaxed the austerity measures on property purchase policy in a substantial number of cities in the PRC which resulted in a gradual recovery in the property market in the PRC. There were no significant changes in industry segment and market conditions, new products and services to be introduced that will have 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\$1,355 million, representing a decrease of about 13% from last year's HK\$1,560 million, which corresponds to a decrease by 4% in the total GFA delivered by the Remaining Group to 157,000 sq.m. (2014: 163,000 sq.m.). The property development segment recorded a loss of approximately HK\$306 million, compared with profit of HK\$65 million in last year.

**Property Investment**

Revenue from property rental increased by about 63% to HK\$3.1 million from last year's HK\$1.9 million. The property investment segment for the year recorded a profit of HK\$2.7 million comparing to profit of HK\$1.9 million for last year.

**Property Management**

The Remaining Group's property management operations recorded a profit of about HK\$6.9 million for the year as compared to HK\$7.8 million for last year.

**Project Management and Construction**

Revenue from project management and construction decreased by about 91% to HK\$35.9 million from last year's HK\$395.5 million. The project management and construction segment for the year recorded a profit of HK\$97.8 million comparing to a profit of HK\$57.4 million for last year.

### Gross Profit Margin

The gross profit margin for the year was about 17% which was lower than the gross profit margin for last year's 20%. 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\$1,346 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\$1,168 million. The bank borrowings of the Remaining Group were repayable within 1 year. The Remaining Group had net current assets and total assets less current liabilities of approximately HK\$104 million and HK\$1,671 million respectively. The current ratio of the Remaining Group was approximately 103% 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. As at 31 March 2015, the Remaining Group's interest bearing bank and other borrowings arranged at fixed rate amounting to approximately HK\$1,569 million while those arranged at floating rate amounting to approximately HK\$945 million.

### *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 borrowings 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 borrowings 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\$1,695 million; (ii) the Remaining Group's 100% equity interest in one 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\$1,155 million (2014: HK\$1,465 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 1,100 employees in the PRC 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.



*(ii) For the year ended 31 March 2016**Business Review*

For the financial year ended 31 March 2016, the Remaining Group has recorded a revenue of HK\$528 million, a decrease of about 62% as compared to the HK\$1,400 million for last year. The property sales revenue for the year mainly came from the sale of Phase VI section A of Dongguan Riviera Villa and Dalian Jianzhu Project Phase B2 which respectively represented about 31% and 16% 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 do not have development project (2015: 3 projects with GFA of 175,000 sq.m.) that were newly completed and delivered during the year ended 31 March 2016. Loss before taxation for the year was HK\$969.1 million, compared to HK\$253.8 million for last year. The loss before taxation was mainly attributable to (i) gross loss margin resulted from the charge of an impairment loss on properties under development of HK\$78.1 million to the cost of sales account and lower level of selling price attained for the properties delivered; and (ii) the decrease in other interest income by HK\$136.6 million. Loss for the year attributable to owners of the Company was HK\$555.8 million, compared to HK\$295.6 million for last year.

*Market and industry development and segment results*

The Group's business strategy is to develop quality residential estates for the PRC upper to middle class domestic market. During the year, the PRC 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. There were no significant changes in industry segment and market conditions, new products and services to be introduced that will have 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\$516 million, representing a decrease of about 62% from last year's HK\$1,355 million, which corresponds to a decrease by 59% in the total GFA delivered by the Remaining Group to 64,000 sq.m. (2015: 157,000 sq.m.). The property development segment recorded a loss of approximately HK\$376 million, represented an increase of about 23% compared with HK\$306 million in last year.

**Property Investment**

Revenue from property rental decreased by about 68% to HK\$1.0 million from last year's HK\$3.1 million due to the disposal of certain retail shops towards the end of last year. The property investment segment for the year recorded a profit of HK\$1.0 million, a decrease of about 63% comparing to HK\$2.7 million for last year.

**Property Management**

The Remaining Group's property management operations recorded a profit of about HK\$4.1 million for the year as compared to HK\$6.9 million for last year.

### Project Management

Revenue from project management decreased by about 100% to HK\$17 thousand from last year's HK\$10.6 million. The decrease was due to decrease in the volume of project management business for the year and also there was about HK\$4.9 million project management revenue recorded as deferred project management revenue pending the confirmation of the value of contract work completed. The project management segment for the year recorded a loss of HK\$2.4 million comparing to a loss of HK\$0.7 million for last year.

### Gross Loss

The Remaining Group incurred a loss for the year ended 31 March 2016 as compared to a profit in the previous year. The loss was mainly due to the charge of an impairment loss on properties under development of HK\$78.1 million to the cost of sales account and a lower level of selling price attained for the properties completed and delivered to purchasers during the year as a result of the overall decline in the property price level in the PRC property market over the past two years at which time the properties completed and delivered during the year were pre-sold.

### *Financial Resources and Liquidity*

At 31 March 2016, the Remaining Group's cash and bank deposits amounted to approximately HK\$523 million. At 31 March 2016, 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\$276 million. The bank borrowings of the Remaining Group were repayable within 1 year. The Remaining Group had net current liabilities and total assets less current liabilities of approximately HK\$793 million and HK\$1,129 million respectively. The current ratio of the Remaining Group was approximately 83% and the net debt gearing ratio was 29%. 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. As at 31 March 2016, the Remaining Group's interest bearing bank and other borrowings arranged at fixed rate amounting to approximately HK\$556 million while those arranged at floating rate amounting to approximately HK\$244 million.

*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 borrowings 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 2016, certain of the Remaining Group's bank and other borrowings were secured by (i) certain land and buildings, bank deposits and completed properties for sale with an aggregate carrying value of approximately HK\$690 million; and (ii) corporate guarantees from the Company and certain of its subsidiaries.

*Contingent Liabilities*

At 31 March 2016, the Remaining Group had given guarantees to the extent of approximately HK\$973 million (2015: HK\$1,155 million) to banks in respect of mortgage loan facilities granted to the property purchasers.

*Capital Structure*

As at 31 March 2016, the Share capital of the Company comprised ordinary shares only.

*Employees and Remuneration Policy*

The Remaining Group employs a total of about 760 employees in the PRC 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 2017***Business Review*

For the financial year ended 31 March 2017, the Remaining Group has recorded a revenue of HK\$108.8 million, a decrease of about 74% as compared to the HK\$528 million for last year. The property sales revenue for the year mainly came from the sale of Dalian Coastal International Centre Phase I, Dalian Jianzhu Project Phase B2 and Phase IV section A of Dongguan Riviera Villa, which respectively represented about 28%, 13% and 13% 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 do not have development project (2016: Nil) that were newly completed and delivered during the year ended 31 March 2017. Loss before taxation for the year was HK\$938.8 million, compared to HK\$969.1 million for last year. The loss before taxation was mainly attributable to (i) the gross loss of HK\$32.1 million due to less properties delivered and recognised during the year and lower level of selling price attained for the properties delivered; (ii) the impairment loss recognised on prepayments, deposits and other receivables of HK\$357.2 million in relation to deposit for future acquisition of land use rights; and (iii) the impairment loss recognised on amounts due from associates of HK\$235.7 million. Loss for the year attributable to owners of the Company was HK\$814.7 million, compared to HK\$555.8 million for last year.

*Market and industry development and segment results*

The Group's business strategy is to develop quality residential estates for the PRC upper to middle class domestic market. During the year, the PRC 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. There were no significant changes in industry segment and market conditions, new products and services to be introduced that will have 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\$94.4 million, representing a decrease of about 82% from last year's HK\$516 million, which corresponds to a decrease by 84% in the total GFA delivered by the Remaining Group to 10,000 sq.m. (2016: 64,000 sq.m.). The property development segment recorded a loss of approximately HK\$522 million, represented an increase of about 39% compared with HK\$376 million in last year.

**Property Investment**

Revenue from property rental decreased by about 60% to HK\$0.4 million from last year's HK\$1.0 million due to the disposal of certain retail shops towards the end of last year. The property investment segment for the year recorded a profit of HK\$0.3 million comparing to profit of HK\$1.0 million for last year.

**Project Management**

Revenue from project management increased from last year's HK\$17,000 to current year's HK\$14 million. The increase was due to recognition of more project management revenue in respect of which the value of contract work completed has been confirmed during the year. The project management segment for the year recorded a loss of HK\$2.9 million comparing to a loss of HK\$2.4 million for last year.

**Gross Loss**

The Remaining Group incurred a loss for the year ended 31 March 2017 as compared to a loss in the previous year. The loss was mainly due to a lower level of selling price attained for the properties completed and delivered to purchasers during the year as a result of the overall decline in the property price level in the PRC property market over the past two years at which time the properties completed and delivered during the year were pre-sold.

*Financial Resources and Liquidity*

At 31 March 2017, the Remaining Group's cash and bank deposits amounted to approximately HK\$806 million. At 31 March 2017, 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\$733 million. The bank borrowings of the Remaining Group were repayable within 1 year to 5 years. The Remaining Group had net current liabilities and total assets less current liabilities of approximately HK\$466 million and HK\$682 million respectively. The current ratio of the Remaining Group was approximately 91% and the net debt gearing ratio was 121%. 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. As at 31 March 2017, the Remaining Group's interest bearing bank and other borrowings arranged at fixed rate amounting to approximately HK\$1,442 million while those arranged at floating rate amounting to approximately HK\$97 million.

*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 borrowings 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 2017, certain of the Remaining Group's bank and other borrowings 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\$622 million; (ii) the Remaining Group's 70% equity interests in one property-based subsidiary; (iii) the Remaining Group's 12% equity interests in a property-based entity which is carried as an available-for-sale investment in the consolidated statement of financial position, and (iv) corporate guarantees from the Company and certain of its subsidiaries.

*Contingent Liabilities*

At 31 March 2017, the Remaining Group had given guarantees to the extent of approximately HK\$1,096 million (2016: HK\$973 million) to banks in respect of mortgage loan facilities granted to the property purchasers.

*Capital Structure*

As at 31 March 2017, the Share capital of the Company comprised ordinary shares only.

*Employees and Remuneration Policy*

The Remaining Group employs a total of about 200 employees in the PRC 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 nine months ended 31 December 2017***Business Review*

For the nine months ended 31 December 2017, the Remaining Group has recorded a revenue of HK\$350.8 million, an increase of about 374% as compared to the HK\$74.2 million for last corresponding period. The property sales revenue for the period mainly came from the sale of Phase V section B of Dongguan Riveria Villa and Dalian Coastal International Centre Phase I, which respectively represented about 76% and 18% of the total property sales revenue. Such increase was mainly attributable to more properties delivered and recognised as revenue during the period. The Remaining Group have 1 development project with GFA of 19,000 sq.m. (nine months ended 31 December 2016: nil) that were newly completed and delivered during the nine months ended 31 December 2017. Profit before taxation for the period was HK\$16.7 million, compared to loss of taxation of HK\$361.8 million for last corresponding period. The profit before taxation was mainly attributable to the increase in gross profit by HK\$117 million due to more properties delivered and recognized during the period. Profit for the period attributable to owners of the Company was HK\$539.1 million, compared to a loss of HK\$359.1 million for last corresponding period.



*Market and industry development and segment results*

The Group's business strategy is to develop quality residential estates for the PRC upper to middle class domestic market. During the period, the PRC 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. There were no significant changes in industry segment and market conditions, new products and services to be introduced that will have 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\$336 million, representing an increase of about 433% from last corresponding period's HK\$63 million, which corresponds to an increase by 213% in the total GFA delivered by the Remaining Group to 25,000 sq.m. (nine months ended 31 December 2016: 8,000 sq.m.). The property development segment recorded a loss of approximately HK\$11 million, compared with a loss of approximately HK\$252 million in last year.

*Property Investment*

Revenue from property rental decreased by about 33% to HK\$0.2 million from last corresponding period's HK\$0.3 million. The property investment segment for the period recorded a profit of HK\$0.2 million comparing to HK\$0.2 million for last corresponding period.

*Project Management*

Revenue from project management increased to HK\$14.5 million from last corresponding period's HK\$10.9 million. The increase was due to recognition of project management revenue in respect of which the value of contract work completed has been confirmed during the period. The project management segment for the period recorded a gain of about HK\$4.9 million comparing to a gain of HK\$1.3 million for last corresponding period.

*Gross Profit(Loss) Margin*

The gross profit margin for the period was about 31% which was higher than the gross loss margin for last corresponding period's 13%. The increase was mainly due to a higher level of selling price attained for the properties completed and delivered to purchasers during the period.

*Financial Resources and Liquidity*

At 31 December 2017, the Remaining Group's cash and bank deposits amounted to approximately HK\$1,158 million. At 31 December 2017, 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\$0 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\$409 million and HK\$1,387 million respectively. The current ratio of the Remaining Group was approximately 112% with a net cash position. 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. As at 31 December 2017, the Remaining Group's interest bearing bank and other borrowings arranged at fixed rate amounting to approximately HK\$331 million while those arranged at floating rate amounting to approximately HK\$66 million.

*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 despite a slow depreciation in the recent period. 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 borrowings which are denominated in USD or HK\$ which account for less than 10% of the Remaining Group's total borrowings, 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 December 2017, certain of the Remaining Group's bank and other borrowings 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\$467 million; (ii) corporate guarantees from the Company and certain of its subsidiaries; and (iii) the Remaining Group's 12% equity interests in a property-based entity.

*Contingent Liabilities*

At 31 December 2017, the Remaining Group had given guarantees to the extent of approximately HK\$730 million (31 March 2017: HK\$1,096 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\$323 million (31 March 2017: Nil) 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 December 2017, the Share capital of the Company comprised ordinary shares only.

*Employees and Remuneration Policy*

The Remaining Group employs a total of about 200 employees in the PRC 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 14 December 2017, Shenzhen Coastal Property Investment Limited, being a wholly-owned subsidiary of the Company, entered into an agreement with Shum Yip Southern Land (Holdings) Co., Ltd to dispose of 30% of the registered capital of Huizhou Shum Yip Southern Land Company Limited at a total consideration of RMB15,000,000 (equivalent to approximately HK\$16,896,000). Huizhou Shum Yip Southern Land Company Limited is principally engaged in property development and provision of construction services. Quick link to the Company's announcement dated 14 December 2017 is set out as below:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/1214/LTN20171214633.pdf>

2. On 22 June 2017, Skyfame Realty (Holdings) Limited, Coastal Realty Investment (China) Limited, Guangzhou Kunchuang Real Estate Company Limited and Coastal Greenland Development (Wuhan) Ltd, entered into a disposal agreement to dispose of 80% of the registered capital of Guangzhou Haicong Real Estate Company Limited at a total consideration of RMB80 million (equivalent to approximately HK\$91.8 million). Guangzhou Haicong Real Estate Company Limited is a project company for the redevelopment project to be carried out at Tangcong Village, Baiyun District, Guangzhou, the PRC. Quick link to the Company's announcement dated 22 June 2017 is set out as below:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0622/LTN20170622816.pdf>

3. On 16 December 2016, Coastal Greenland Development (Wuhan) Ltd, Kunshan Fuzhi Dingxin Equity Investment Enterprise, Shanghai Fengzhou Property Co. Ltd, the Company and Yuzhou Properties Company Limited, entered into a disposal agreement to dispose of the entire equity interest in Kunshan Fuzhi Dingxin Equity Investment Enterprise at a total consideration of RMB3,589.1 million (equivalent to approximately HK\$4,005.7 million). The principal assets subject to disposal are the land use rights of land parcels located in Chaojiang Village, Hanyang District, Wuhan, the PRC. Quick link to the Company's announcement dated 28 December 2016 and circular dated 31 March 2017 are set out as below:

**Announcement:**

<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/1228/LTN20161228848.pdf>

**Circular:**

<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0331/LTN20170331197.PDF>

4. On 3 August 2016, Coastal Greenland Development (Wuhan) Ltd. and Shanghai Coastal Greenland Real Estate Ltd., which are both wholly owned subsidiaries of the Company entered into a disposal agreement with a purchaser in relation to the transfer of an aggregate of 70% equity interests in Tianjin Harmonious Realty Development Co., Limited for a consideration of RMB875 million (equivalent to approximately HK\$1,029.4 million). Prior to the disposal, Tianjin Harmonious Realty Development Co., Limited is principally engaged in property development. Quick link to the Company's announcement dated 9 August 2016 and circular dated 30 September 2016 are set out as below:

**Announcement:**

<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0809/LTN20160809009.pdf>

**Circular:**

<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0930/LTN20160930019.pdf>

5. On 11 January 2016, Shanghai Coastal Commercial Investment Management Co. Ltd., a wholly owned subsidiary of the Company and Ms. Yang Jiong Xuan entered into a disposal agreement with a purchaser in relation to the transfer of 100% equity interests in Jingdian Construction Co., Ltd at nil consideration and a debt in the amount of RMB471,673,000 (equivalent to HK\$566,064,000) due and owing by a wholly owned subsidiary of the Company to Jingdian will be waived. Prior to the disposal, Jingdian Construction Co., Ltd was a wholly owned subsidiary of the Company principally engaged in construction. No proceeds will be received by the Group. Quick link to the Company's announcement dated 20 January 2016 and circular dated 9 March 2016 are set out as below:

**Announcement:**

<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0120/LTN20160120865.pdf>

**Circular:**

<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0309/LTN20160309003.pdf>

6. 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>

7. 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>

## 7. RECONCILIATION OF THE PROPERTY VALUATION

The table below sets forth the reconciliation between the valuation of properties interests in Target Group, Foshan Harmonious and Wuhan Zhisheng as at 28 February 2018 as stated in the valuation report as set out in Appendix IV to this circular and the properties under development, completed properties for sale and deposit paid for land use rights stated in the unaudited combined statements of financial position as at 31 December 2017 and the unaudited statements of financial position as at 31 December 2017 included in the Financial Information of Target Group as set out in Appendices II to this circular:

	<i>HK\$'000</i>
Properties under development in respect of the Target Group as at 31 December 2017	2,373,706
Exclusion of properties under development in respect of the subsidiaries of the Remaining Group that are within the Target Group but not disposed in relation to the Disposal	(198,501)
Completed properties for sale in respect of the Target Group as at 31 December 2017	2,260,283
Exclusion of completed properties for sale in respect of the subsidiaries of the Remaining Group that are within the Target Group but not disposed in relation to the Disposal	(32,116)
Completed properties for sale in respect of the 20% equity interests in Foshan Harmonious as at 31 December 2017	36,341
Properties held for sale in respect of the 30% equity interests in Wuhan Zhisheng as at 31 December 2017	<u>201,620</u>
Book value of property interests as of 31 December 2017	4,641,333
Revaluation surplus as at 28 February 2018	<u>1,265,442</u>
Valuation as at 28 February 2018	<u><u>5,906,775</u></u>

The value of properties interests in respect of the properties as determined with reference to their market values as at 28 February 2018 according the valuation report as set out in Appendix IV to this circular is as follows:

	<i>RMB'000</i>
Market value of the properties held by the Group for sale in the PRC as at 28 February 2018	2,839,100
Market value of the properties held by the Group under development in the PRC as at 28 February 2018	502,000
Market value of the properties held by the Group for future development in the PRC as at 28 February 2018	<u>1,435,000</u>
Total value	<u><u>4,776,100</u></u>
	<i>HK\$'000</i>
At translated at the exchange rate of HK\$1 to RMB0.80858 adopted for the translation of the assets	<u><u>5,906,775</u></u>



**A. FINANCIAL INFORMATION OF THE TARGET GROUP (EXCLUDING FOSHAN HARMONIOUS AND WUHAN ZHISHENG)**

Set out below are the unaudited combined statements of financial position of the Target Group (excluding Foshan Harmonious and Wuhan Zhisheng as defined in note 1 to the Unaudited Combined Financial Information) as at 31 March 2015, 2016 and 2017 and 31 December 2017 and the unaudited combined statements of profit or loss and other comprehensive income, the unaudited combined statements of changes in equity and the unaudited combined statements of cash flows of the Target Group for the three years ended 31 March 2017 and the nine months ended 31 December 2017 (the “**Relevant Periods**”) and explanatory notes (the “**Unaudited Combined Financial Information**”).

The Unaudited Combined Financial Information has been prepared and presented on the basis as set out in note 2 to the Unaudited Combined Financial Information and Rule 14.68(2)(a)(i)(A) of the Listing Rules.

The reporting accountants of the Target Group, Deloitte Touche Tohmatsu, were engaged to review the Unaudited Combined Financial Information of the Target Group set out in pages II-2 to II-10 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. 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 accountants to obtain assurance that the reporting accountants would become aware of all significant matters that might be identified in an audit. Accordingly, the reporting accountants do not express an audit opinion.

Based on the review, nothing has come to the reporting accountants’ attention that causes them to believe that the Unaudited Combined Financial Information of the Target Group is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2 to the Unaudited Combined Financial Information.

**UNAUDITED COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

	Year ended 31 March			Nine months ended 31 December	
	2015	2016	2017	2016	2017
	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Revenue	1,521,780	638,728	1,072,724	898,305	2,384,606
Cost of sales	<u>(1,443,800)</u>	<u>(667,610)</u>	<u>(948,964)</u>	<u>(799,492)</u>	<u>(1,988,115)</u>
Gross profit (loss)	77,980	(28,882)	123,760	98,813	396,491
Other income, gains and losses	9,390	42,178	(25,511)	(26,644)	10,812
Marketing and selling expenses	(69,702)	(42,020)	(50,992)	(42,724)	(20,369)
Administrative expenses	(18,835)	(33,212)	(21,847)	(11,948)	(11,495)
Other expenses	(2,132)	(3,183)	(46,665)	(31,934)	–
Finance costs	(138,590)	(88,860)	(97,381)	(80,422)	(64,697)
Net gain on disposals of subsidiaries	<u>–</u>	<u>–</u>	<u>1,956,302</u>	<u>1,956,302</u>	<u>822,400</u>
(Loss) profit before taxation	(141,889)	(153,979)	1,837,666	1,861,443	1,133,142
Taxation	<u>(86,900)</u>	<u>(58,357)</u>	<u>(448,733)</u>	<u>(431,251)</u>	<u>(460,342)</u>
(Loss) profit for the year/period	<u>(228,789)</u>	<u>(212,336)</u>	<u>1,388,933</u>	<u>1,430,192</u>	<u>672,800</u>
<b>Other comprehensive income (expense)</b>					
Item that will not be reclassified to profit or loss:					
Exchange differences arising on translation to presentation currency	<u>2,603</u>	<u>(102,240)</u>	<u>(152,358)</u>	<u>(194,876)</u>	<u>232,463</u>
Total comprehensive (expense) income for the year/period	<u>(226,186)</u>	<u>(314,576)</u>	<u>1,236,575</u>	<u>1,235,316</u>	<u>905,263</u>
(Loss) profit for the year/period attributable to:					
Owners of the Target Company	(228,769)	(212,320)	1,388,949	1,430,206	672,805
Non-controlling interests	<u>(20)</u>	<u>(16)</u>	<u>(16)</u>	<u>(14)</u>	<u>(5)</u>
	<u>(228,789)</u>	<u>(212,336)</u>	<u>1,388,933</u>	<u>1,430,192</u>	<u>672,800</u>
Total comprehensive (expense) income for the year/period attributable to:					
Owners of the Target Company	(226,166)	(314,560)	1,236,591	1,235,330	905,268
Non-controlling interests	<u>(20)</u>	<u>(16)</u>	<u>(16)</u>	<u>(14)</u>	<u>(5)</u>
	<u>(226,186)</u>	<u>(314,576)</u>	<u>1,236,575</u>	<u>1,235,316</u>	<u>905,263</u>

## UNAUDITED COMBINED STATEMENTS OF FINANCIAL POSITION

	At 31 March			At
	2015	2016	2017	31 December
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	33,963	30,644	28,986	30,064
Investment properties	226,237	215,062	201,850	214,377
Interests in associates	684,079	657,850	2,280,382	2,689,384
Pledged deposits for other borrowings	–	196,698	–	–
Total non-current assets	<u>944,279</u>	<u>1,100,254</u>	<u>2,511,218</u>	<u>2,933,825</u>
<b>CURRENT ASSETS</b>				
Properties under development	9,771,828	9,677,656	4,742,379	2,373,706
Completed properties for sale	1,110,930	698,996	1,228,146	2,260,283
Prepayments, deposits and other receivables	581,518	1,012,140	525,764	389,371
Amounts due from associates	1,123,308	872,215	986,921	801,094
Amounts due from fellow subsidiaries	–	–	–	1,252,958
Prepaid tax	17,681	148,309	–	–
Pledged bank deposits	429,258	–	–	–
Cash and bank balances	683,260	313,621	616,205	460,955
	<u>13,717,783</u>	<u>12,722,937</u>	<u>8,099,415</u>	<u>7,538,367</u>
Assets classified as held for sale	–	–	1,121,937	–
Total current assets	<u>13,717,783</u>	<u>12,722,937</u>	<u>9,221,352</u>	<u>7,538,367</u>
<b>CURRENT LIABILITIES</b>				
Trade and bills payables	352,938	259,486	855,003	509,531
Deposits received from pre-sales of properties	1,109,167	1,458,499	1,458,569	474,634
Other payables and accruals	755,885	1,631,297	921,974	838,694
Amounts due to fellow subsidiaries	2,902,326	773,617	695,375	–
Tax payable	380,459	409,925	653,099	1,094,020
Interest-bearing bank and other borrowings	2,543,903	2,974,976	901,114	729,744
	<u>8,044,678</u>	<u>7,507,800</u>	<u>5,485,134</u>	<u>3,646,623</u>
Liabilities associated with assets classified as held for sale	–	–	531,890	–
Total current liabilities	<u>8,044,678</u>	<u>7,507,800</u>	<u>6,017,024</u>	<u>3,646,623</u>
NET CURRENT ASSETS	<u>5,673,105</u>	<u>5,215,137</u>	<u>3,204,328</u>	<u>3,891,744</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>6,617,384</u>	<u>6,315,391</u>	<u>5,715,546</u>	<u>6,825,569</u>

	At 31 March			At
	2015	2016	2017	31 December
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
CAPITAL AND RESERVES				
Capital	297,835	547,835	547,835	547,835
Reserves	2,021,738	1,457,178	2,693,769	3,599,037
Equity attributable to owners of the Target Company	2,319,573	2,005,013	3,241,604	4,146,872
Non-controlling interests	<u>1,300</u>	<u>1,284</u>	<u>1,268</u>	<u>1,263</u>
Total equity	<u>2,320,873</u>	<u>2,006,297</u>	<u>3,242,872</u>	<u>4,148,135</u>
NON-CURRENT LIABILITIES				
Interest-bearing bank and other borrowings	4,139,681	4,231,701	2,389,078	2,567,262
Deferred tax liabilities	<u>156,830</u>	<u>77,393</u>	<u>83,596</u>	<u>110,172</u>
Total non-current liabilities	<u>4,296,511</u>	<u>4,309,094</u>	<u>2,472,674</u>	<u>2,677,434</u>
TOTAL EQUITY AND NON-CURRENT LIABILITIES	<u><u>6,617,384</u></u>	<u><u>6,315,391</u></u>	<u><u>5,715,546</u></u>	<u><u>6,825,569</u></u>

## UNAUDITED COMBINED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Target Company						Total equity HK\$'000 (unaudited)
	Capital HK\$'000 (unaudited)	Leasehold property revaluation reserve HK\$'000 (unaudited)	Exchange fluctuation reserve HK\$'000 (unaudited)	Retained profits HK\$'000 (unaudited)	Total HK\$'000 (unaudited)	Non- controlling interests HK\$'000 (unaudited)	
At 1 April 2014	297,835	7,138	656,394	1,584,372	2,545,739	1,320	2,547,059
Loss for the year	-	-	-	(228,769)	(228,769)	(20)	(228,789)
Exchange differences arising on translation to presentation currency	-	-	2,603	-	2,603	-	2,603
Total comprehensive income (expense)	-	-	2,603	(228,769)	(226,166)	(20)	(226,186)
At 31 March 2015	297,835	7,138	658,997	1,355,603	2,319,573	1,300	2,320,873
Loss for the year	-	-	-	(212,320)	(212,320)	(16)	(212,336)
Exchange differences arising on translation to presentation currency	-	-	(102,240)	-	(102,240)	-	(102,240)
Total comprehensive (expense) income	-	-	(102,240)	(212,320)	(314,560)	(16)	(314,576)
Deemed capital contribution through dividend distribution	250,000	-	-	(250,000)	-	-	-
At 31 March 2016	547,835	7,138	556,757	893,283	2,005,013	1,284	2,006,297
Profit (loss) for the year	-	-	-	1,388,949	1,388,949	(16)	1,388,933
Exchange differences arising on translation to presentation currency	-	-	(152,358)	-	(152,358)	-	(152,358)
Total comprehensive (expense) income	-	-	(152,358)	1,388,949	1,236,591	(16)	1,236,575
Disposal of equity interests in subsidiaries	-	-	100,457	(100,457)	-	-	-
At 31 March 2017	547,835	7,138	504,856	2,181,775	3,241,604	1,268	3,242,872
Profit (loss) for the period	-	-	-	672,805	672,805	(5)	672,800
Exchange differences arising on translation to presentation currency	-	-	232,463	-	232,463	-	232,463
Total comprehensive income (expense)	-	-	232,463	672,805	905,268	(5)	905,263
Disposal of equity interests in subsidiaries	-	-	28,265	(28,265)	-	-	-
At 31 December 2017	547,835	7,138	765,584	2,826,315	4,146,872	1,263	4,148,135
At 1 April 2016	547,835	7,138	556,757	893,283	2,005,013	1,284	2,006,297
Profit (loss) for the period	-	-	-	1,430,206	1,430,206	(14)	1,430,192
Exchange differences arising on translation to presentation currency	-	-	(194,876)	-	(194,876)	-	(194,876)
Total comprehensive (expense) income	-	-	(194,876)	1,430,206	1,235,330	(14)	1,235,316
Disposal of equity interests in subsidiaries	-	-	100,457	(100,457)	-	-	-
At 31 December 2016	547,835	7,138	462,338	2,223,032	3,240,343	1,270	3,241,613

## UNAUDITED COMBINED STATEMENTS OF CASH FLOWS

	Year ended 31 March			Nine months ended 31 December	
	2015 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
<b>OPERATING ACTIVITIES</b>					
(Loss) profit before taxation	(141,889)	(153,979)	1,837,666	1,861,443	1,133,142
Adjustments for:					
Finance costs	138,590	88,860	97,381	80,422	64,697
Interest income	(5,257)	(41,071)	(132)	(84)	(218)
Depreciation	2,121	1,446	1,372	1,281	896
(Gain) loss on disposal of property, plant and equipment	(8,322)	27	(1,813)	(802)	–
Impairment loss recognised on prepayments, deposits and other receivables	5,631	–	–	–	715
Impairment loss recognised on properties under development	–	–	74,120	74,120	–
Impairment loss recognised on amounts due from an associate	–	–	28,224	25,828	1,745
Net gain on disposals of subsidiaries	–	–	(1,956,302)	(1,956,302)	(822,400)
Operating cash flows before movements in working capital	(9,126)	(104,717)	80,516	85,906	378,577
(Increase) decrease in property inventories	(2,786,877)	330,096	(1,493,982)	(852,597)	1,516,039
Decrease (increase) in prepayments, deposits and other receivables	249,068	(468,780)	79,107	(113,965)	168,863
Increase (decrease) in trade and bills payables	162,208	(78,065)	625,404	600,933	(389,406)
(Decrease) increase in deposits received from pre-sales of properties	(277,189)	411,772	89,672	62,279	(1,068,246)
Increase (decrease) in other payables and accruals	5,628	931,924	317,033	277,066	(10,505)
Cash (used in) from operations	(2,656,288)	1,022,230	(302,250)	59,622	595,322
PRC Enterprise Income Tax and PRC Land Appreciation Tax paid	(152,117)	(60,964)	(9,783)	(2,258)	(25,980)
<b>NET CASH (USED IN) FROM   OPERATING ACTIVITIES</b>	<b>(2,808,405)</b>	<b>961,266</b>	<b>(312,033)</b>	<b>57,364</b>	<b>569,342</b>

**APPENDIX II**
**FINANCIAL INFORMATION OF THE TARGET GROUP**

	Year ended 31 March			Nine months ended 31 December	
	2015	2016	2017	2016	2017
	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)
<b>INVESTING ACTIVITIES</b>					
Advance to an associate	(882,614)	(537,378)	(197,960)	(170,381)	–
Repayment from an associate	–	738,483	98,431	–	240,046
Capital injection to an associate	–	–	–	–	(232,327)
Advance to fellow subsidiaries	–	–	–	–	(1,335,670)
Purchase of property, plant and equipment	(152)	(398)	(33)	(33)	(161)
Proceeds from disposal of property, plant and equipment	17,037	346	2,354	803	–
Proceeds from disposals of subsidiaries (Placement) withdrawal of pledged bank deposits	(419,181)	216,100	190,731	190,731	–
Interest received	5,257	41,071	132	84	218
<b>NET CASH (USED IN) FROM INVESTING ACTIVITIES</b>	<b>(1,279,653)</b>	<b>458,224</b>	<b>1,018,805</b>	<b>946,354</b>	<b>229,324</b>
<b>FINANCING ACTIVITIES</b>					
Repayment from fellow subsidiaries	2,899,358	–	–	–	–
Advance to fellow subsidiaries	–	(2,031,966)	(48,265)	(47,260)	(668,243)
New bank and other borrowings raised	2,790,087	3,763,816	2,389,078	1,789,807	717,781
Repayment of bank and other borrowings	(1,597,006)	(2,899,118)	(2,493,313)	(2,249,070)	(864,865)
Interest paid	(523,425)	(588,674)	(220,199)	(207,275)	(178,694)
<b>NET CASH FROM (USED IN) FINANCING ACTIVITIES</b>	<b>3,569,014</b>	<b>(1,755,942)</b>	<b>(372,699)</b>	<b>(713,798)</b>	<b>(994,021)</b>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(519,044)</b>	<b>(336,452)</b>	<b>334,073</b>	<b>289,920</b>	<b>(195,355)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR/PERIOD</b>	<b>1,198,887</b>	<b>683,260</b>	<b>313,621</b>	<b>313,621</b>	<b>621,342</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>3,417</b>	<b>(33,187)</b>	<b>(26,352)</b>	<b>(26,362)</b>	<b>34,968</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR/PERIOD, represented by cash and bank balances</b>	<b>683,260</b>	<b>313,621</b>	<b>621,342</b>	<b>577,179</b>	<b>460,955</b>
Analysis of cash and bank balances:					
Cash and bank balances	683,260	313,621	616,205	572,081	460,955
Cash and bank balances included in assets classified as held for sale	–	–	5,137	5,098	–
	<b>683,260</b>	<b>313,621</b>	<b>621,342</b>	<b>577,179</b>	<b>460,955</b>

## NOTES TO THE UNAUDITED COMBINED FINANCIAL INFORMATION

**1. General and reorganisation**

Century East Group Limited (the “Target Company”, or together with its subsidiaries referred to as the “Target Group”) was incorporated in the British Virgin Islands as a limited liability company on 3 July 2017. On 1 December 2017, one share of US\$1 was allotted to Coastal Greenland Limited (the “Company”, together with its subsidiaries referred to the “Group”), a public limited company incorporated in Bermuda and listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Company and its subsidiaries other than the Target Group is referred to as the “Remaining Group”.

On 13 January 2018, the Company and Yuzhou Properties Company Limited, an independent third party, entered into a disposal agreement (the “Disposal Agreement”), pursuant to which the Company conditionally agreed to sell and Yuzhou Properties Company Limited conditionally agreed to purchase the entire equity interests in the Target Company at a total consideration of approximately RMB3.8 billion (equivalent to approximately HK\$4.58 billion) (the “Disposal”). The subjects of the Disposal only include seven property projects held by subsidiaries, associate or joint venture of the Company and pursuant to the Disposal Agreement and the supplementary disposal agreement dated 19 April 2018, one of the conditions to the completion of the Disposal is to complete a Reorganisation involving the following equity transfers:

- (i) transferring the entire equity interests in four wholly-owned subsidiaries of the Group, namely Coastal Greenland Development (Shenyang) Ltd. (“Coastal Shenyang”), Coastal Realty Development (Shanghai) Co., Ltd. (“Coastal Shanghai”), Multi Earning Limited (“Multi Earning”) and Coastal Greenland Development (Wuhan) Ltd. (“Coastal Wuhan”), to World On Development Limited (“World On”), a private limited company incorporated in Hong Kong on 1 January 2018 which is a direct wholly-owned subsidiary of the Target Company;
- (ii) transferring the entire equity interest in Smooth Land Limited (“Smooth Land”) from the Remaining Group to Multi Earning. Smooth Land held 60% equity interest in Shenyang Coastal Rongtian Real Estate Co., Ltd. (“Shenyang Rongtian”). Another 40% equity interest of Shenyang Rongtian was held by Shenyang Rongtian Real Estate Development Co., Ltd. which is a direct wholly-owned subsidiary of Multi Earning. Accordingly, Shenyang Rongtian will become an indirect wholly-owned subsidiary of Multi Earning;
- (iii) transferring the entire equity interest in Shanghai Coastal Commercial Investment Management Co., Ltd, an indirect wholly-owned subsidiary of Coastal Shanghai, from Shanghai Coastal Guotou Investment Management Co., Ltd., a directly wholly-owned subsidiary of Coastal Shanghai, to Coastal Shenyang;



- (iv) acquiring 80% equity interest in Foshan Harmonious Realty Development Co., Ltd (“Foshan Harmonious”) from another shareholder of Foshan Harmonious by the Remaining Group and transferring such interest together with the Remaining Group’s existing 20% interest in Foshan Harmonious (currently classified as associate of the Group) to a direct wholly-owned subsidiary of Coastal Shenyang;
- (v) acquiring 60% equity interest in Wuhan Zhisheng Group Co., Ltd. (“Wuhan Zhisheng”) from another shareholder of Wuhan Zhisheng by the Target Company. The Remaining Group has an existing 30% equity interest in Wuhan Zhisheng and Wuhan Zhisheng is a joint venture of the Group. Such 30% interest will continue to be held by the Remaining Group after the completion of the Disposal; and
- (vi) transferring entire equity interest in certain indirect subsidiaries of the Target Group and 20% equity interest in Guangzhou Haicong Real Estate Company Limited (“Guangzhou Haicong”), an associate of Coastal Wuhan, to the Remaining Group.

Following the completion of the Reorganisation, the Target Group will consist of certain investment holding companies and the following principal subsidiaries, associate or joint venture, which carry out the operations of property development and property investment in the People’s Republic of China (the “PRC”):

- (a) Beijing Tianlun Huanyu Investment Management Co., Ltd. (an indirect subsidiary of Coastal Shenyang);
- (b) Coastal Wuhan;
- (c) Foshan Harmonious;
- (d) Shenyang Rongtian;
- (e) Shenyang Zhong Guang Bei Fang Ying Shi Cheng Co., Ltd. (a direct wholly-owned subsidiary of Coastal Shenyang);
- (f) Tianjin Harmonious Realty Development Co., Limited (an associate of Coastal Wuhan); and
- (g) Wuhan Zhisheng.

As of the date of the report, the Reorganisation has not yet completed.

## 2. Basis of preparation of the unaudited combined financial information

Throughout the Relevant Periods, Coastal Shenyang, Coastal Shanghai, Multi Earning, Coastal Wuhan and Smooth Land as well as their subsidiaries were controlled by the Company. As part of the Disposal, the Company will undertake the Reorganisation as detailed in note 1 and the Target Company will become the holding company of World On, Coastal Shenyang, Coastal Shanghai, Multi Earning, Coastal Wuhan and Smooth Land as well as their subsidiaries. Accordingly, the Unaudited Combined Financial Information, including the combined statements of profit or loss and other comprehensive income, combined statements of financial position, combined statements of changes in equity and combined statements of cash flows of the Target Group, has been prepared using the principles of merger accounting.

The Unaudited Combined Financial Information has been prepared in accordance with paragraph 68(2)(a)(i)(A) of Chapter 14 of the Rules Governing the Listing of Securities on the Stock Exchange, and solely for the purpose of inclusion in the circular to be issued by the Company in connection with the Disposal (as defined in the circular). The unaudited Combined Financial Information of the Target Group for each of the three years ended 31 March 2017 and the nine months ended 31 December 2017 has been prepared using the same accounting policies as those adopted by the Company in the preparation of the consolidated financial statements of the Group for the year ended 31 March 2017, which conform with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

The Unaudited Combined Financial Information does not contain sufficient information to constitute a complete set of financial statements as defined in Hong Kong Accounting Standard 1 “Presentation of Financial Statements” nor an interim report as defined in Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the HKICPA.

## 3. Subsequent events

- (i) On 10 January 2018, Shenzhen Chuangzhixin Investment Management Co., Ltd., a wholly-owned subsidiary of the Remaining Group, has entered into a sale and purchase agreement with another shareholder of Foshan Harmonious to acquire further 80% equity interest in Foshan Harmonious at consideration of RMB272,000,000. Details of the acquisition are set out in the Company’s announcement dated 10 January 2018.
- (ii) On 18 April 2018, the Target Company has entered into a sale and purchase agreement with another shareholder of Wuhan Zhisheng to acquire further 60% equity interest in Wuhan Zhisheng at consideration of RMB366,000,000. Details of the acquisition are set out in the Company’s announcement dated 18 April 2018. After the acquisition, the Target Company directly holds 60% equity interest in Wuhan Zhisheng.

**B. FINANCIAL INFORMATION OF FOSHAN HARMONIOUS**

Set out below are the unaudited statements of financial position of Foshan Harmonious Realty Development Co., Ltd (the “Foshan Harmonious”) as at 31 March 2015, 2016 and 2017 and 31 December 2017, 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 Foshan Harmonious for the three years ended 31 March 2017 and the nine months ended 31 December 2017 (the “Relevant Periods”) and explanatory notes (the “Unaudited Financial Information”).

The Unaudited Financial Information has been prepared and presented on the basis as set out in note 2 to the Unaudited Financial Information and Rule 14.68(2)(a)(i)(A) of the Listing Rules.

The reporting accountants of Foshan Harmonious, Deloitte Touche Tohmatsu, were engaged to review the Unaudited Financial Information of Foshan Harmonious set out in pages II-12 to II-17 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. 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 accountants to obtain assurance that the reporting accountants would become aware of all significant matters that might be identified in an audit. Accordingly, the reporting accountants do not express an audit opinion.

Based on the review, nothing has come to the reporting accountants’ attention that causes them to believe that the Unaudited Financial Information of Foshan Harmonious is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2 to the Unaudited Financial Information.

**UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

	Year ended 31 March			Nine months ended 31 December	
	2015	2016	2017	2016	2017
	<i>HK\$'000</i> (unaudited)	<i>HK\$'000</i> (unaudited)	<i>HK\$'000</i> (unaudited)	<i>HK\$'000</i> (unaudited)	<i>HK\$'000</i> (unaudited)
Revenue	937,404	558,041	141,237	132,978	77,593
Cost of sales	<u>(671,985)</u>	<u>(352,456)</u>	<u>(88,249)</u>	<u>(82,893)</u>	<u>(46,197)</u>
Gross profit	265,419	205,585	52,988	50,085	31,396
Other income	275	1,637	154	29	12
Finance costs	-	(2,491)	-	-	-
Marketing and selling expenses	(17,013)	(11,490)	(6,617)	(6,568)	(893)
Administrative expenses	<u>(7,667)</u>	<u>(5,730)</u>	<u>(3,431)</u>	<u>(2,661)</u>	<u>(3,167)</u>
Profit before taxation	241,014	187,511	43,094	40,885	27,348
Taxation	<u>(97,120)</u>	<u>(82,974)</u>	<u>(24,008)</u>	<u>(22,795)</u>	<u>(6,554)</u>
Profit for the year/period	<u>143,894</u>	<u>104,537</u>	<u>19,086</u>	<u>18,090</u>	<u>20,794</u>
Other comprehensive income (expense)					
Item that will not be reclassified to profit or loss:					
Exchange differences arising on translation to presentation currency	<u>331</u>	<u>(17,727)</u>	<u>(25,129)</u>	<u>(28,155)</u>	<u>22,450</u>
Total comprehensive income (expense) for the year/period	<u>144,225</u>	<u>86,810</u>	<u>(6,043)</u>	<u>(10,065)</u>	<u>43,244</u>

## UNAUDITED STATEMENTS OF FINANCIAL POSITION

	At 31 March			At
	2015	2016	2017	31 December
	HK\$'000	HK\$'000	HK\$'000	2017
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>NON-CURRENT ASSET</b>				
Property, plant and equipment	241	177	113	101
<b>CURRENT ASSETS</b>				
Completed properties for sale	795,647	326,617	211,709	181,707
Prepayments, deposits and other receivables	5,987	7,497	11,324	11,006
Cash and bank balances	107,529	190,574	241,937	321,055
Total current assets	909,163	524,688	464,970	513,768
<b>CURRENT LIABILITIES</b>				
Trade payables	7,787	21,568	6,064	5,385
Other payables and accruals	376,367	37,292	6,097	4,774
Deposits received from pre-sales of properties	56,521	21,220	5,761	21,696
Amounts due to related companies	1,424	127	238	3,665
Interest-bearing bank borrowings	157,810	–	–	–
Tax payable	39,547	87,900	96,208	84,390
Total current liabilities	639,456	168,107	114,368	119,910
NET CURRENT ASSETS	269,707	356,581	350,602	393,858
TOTAL ASSETS LESS CURRENT LIABILITIES	269,948	356,758	350,715	393,959
<b>CAPITAL AND RESERVES</b>				
Capital	126,095	126,095	126,095	126,095
Reserves	143,853	230,663	224,620	267,864
Total equity	269,948	356,758	350,715	393,959

## UNAUDITED STATEMENTS OF CHANGES IN EQUITY

	Capital HK\$'000 (unaudited)	Exchange fluctuation reserve HK\$'000 (unaudited)	(Accumulated losses) retained profits HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
At 1 April 2014	126,095	6	(378)	125,723
Profit for the year	–	–	143,894	143,894
Exchange differences arising on translation to presentation currency	–	331	–	331
Total comprehensive income	–	331	143,894	144,225
At 31 March 2015	126,095	337	143,516	269,948
Profit for the year	–	–	104,537	104,537
Exchange differences arising on translation to presentation currency	–	(17,727)	–	(17,727)
Total comprehensive (expense) income	–	(17,727)	104,537	86,810
At 31 March 2016	126,095	(17,390)	248,053	356,758
Profit for the year	–	–	19,086	19,086
Exchange differences arising on translation to presentation currency	–	(25,129)	–	(25,129)
Total comprehensive (expense) income	–	(25,129)	19,086	(6,043)
At 31 March 2017	126,095	(42,519)	267,139	350,715
Profit for the period	–	–	20,794	20,794
Exchange differences arising on translation to presentation currency	–	22,450	–	22,450
Total comprehensive income	–	22,450	20,794	43,244
At 31 December 2017	126,095	(20,069)	287,933	393,959
At 1 April 2016	126,095	(17,390)	248,053	356,758
Profit for the period	–	–	18,090	18,090
Exchange differences arising on translation to presentation currency	–	(28,155)	–	(28,155)
Total comprehensive (expense) income	–	(28,155)	18,090	(10,065)
At 31 December 2016	126,095	(45,545)	266,143	346,693

## UNAUDITED STATEMENTS OF CASH FLOWS

	Year ended 31 March			Nine months ended 31 December	
	2015	2016	2017	2016	2017
	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)
<b>OPERATING ACTIVITIES</b>					
Profit before taxation	241,014	187,511	43,094	40,885	27,348
Adjustments for:					
Depreciation	-	53	37	30	19
Finance costs	-	2,491	-	-	-
Operating cash flows before movements in working capital changes	241,014	190,055	43,131	40,915	27,367
Decrease in property inventories	617,556	440,000	97,533	90,356	42,288
Decrease (increase) in prepayments, deposits and other receivables	30,550	(1,840)	(4,376)	(3,206)	1,011
(Decrease) increase in trade payables	(240,416)	14,468	(14,542)	(12,779)	(1,036)
(Decrease) increase in deposits received from pre-sales of properties	(499,339)	(33,282)	(14,517)	(14,327)	15,124
Decrease in other payables and accruals	(23,963)	(327,910)	(29,634)	(29,457)	(1,665)
Cash from operations	125,402	281,491	77,595	71,502	83,089
PRC Enterprise Income Tax and PRC Land Appreciation Tax paid	(44,031)	(31,609)	(10,106)	(9,845)	(24,007)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>81,371</u>	<u>249,882</u>	<u>67,489</u>	<u>61,657</u>	<u>59,082</u>

	Year ended 31 March			Nine months ended 31 December	
	2015	2016	2017	2016	2017
	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)
FINANCING ACTIVITIES					
Repayments to related companies	-	(1,255)	(9)	-	-
Advances from related companies	362	-	111	99	3,325
Repayments of bank borrowings	(37,836)	(153,471)	-	-	-
Interest paid	(10,007)	(2,491)	-	-	-
NET CASH (USED IN) FROM FINANCING ACTIVITIES	<u>(47,481)</u>	<u>(157,217)</u>	<u>102</u>	<u>99</u>	<u>3,325</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	33,890	92,665	67,591	61,756	62,407
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR/ PERIOD	73,515	107,529	190,574	190,574	241,937
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	<u>124</u>	<u>(9,620)</u>	<u>(16,228)</u>	<u>(16,522)</u>	<u>16,711</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR/PERIOD, represented by cash and bank balances	<u>107,529</u>	<u>190,574</u>	<u>241,937</u>	<u>235,808</u>	<u>321,055</u>



**NOTES TO THE UNAUDITED FINANCIAL INFORMATION****1. General information**

Foshan Harmonious is established in the People's Republic of China (the "PRC") with limited liability on 6 July 2011. The address of its registered office and principal place of business is Units 4016-4017, District A, Huanshi Children's Wear Trading Centre, West Side of Chaoan Road, Chancheng District, Foshan, the PRC. During the Relevant Periods, Foshan Harmonious is principally engaged in the development and sale of commercial property project at Chancheng District, Foshan City, Guangdong Province, the PRC.

**2. Basis of preparation**

The Unaudited Financial Information of Foshan Harmonious for each of the three years ended 31 March 2017 and the nine months ended 31 December 2017 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 dated 30 April 2018 issued by Coastal Greenland Limited (the "Company") in connection with the Disposal (as defined in the circular). The Unaudited 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" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The amounts included in the Unaudited Financial Information have been recognised and measured in accordance with the relevant accounting policies of the Company adopted in the preparation of its consolidated financial statements for the year ended 31 March 2017 which conform with Hong Kong Financial Reporting Standards issued by the HKICPA.

**C. FINANCIAL INFORMATION OF WUHAN ZHISHENG**

Set out below are the unaudited statements of financial position of Wuhan Zhisheng Group Company Limited (the “Wuhan Zhisheng”) as at 31 March 2015, 2016 and 2017 and 31 December 2017, 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 Wuhan Zhisheng for the three years ended 31 March 2017 and the nine months ended 31 December 2017 (the “Relevant Periods”) and explanatory notes (the “Unaudited Financial Information”).

The Unaudited Financial Information has been prepared and presented on the basis as set out in note 2 to the Unaudited Financial Information and Rule 14.68(2)(a)(i)(A) of the Listing Rules.

The reporting accountants of Wuhan Zhisheng, Deloitte Touche Tohmatsu, were engaged to review the Unaudited Financial Information of Wuhan Zhisheng set out in pages II-19 to II-24 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. 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 accountants to obtain assurance that the reporting accountants would become aware of all significant matters that might be identified in an audit. Accordingly, the reporting accountants do not express an audit opinion.

Based on the review, nothing has come to the reporting accountants’ attention that causes them to believe that the Unaudited Financial Information of Wuhan Zhisheng is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2 to the Unaudited Financial Information.

**UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

	Year ended 31 March			Nine months ended 31 December	
	2015	2016	2017	2016	2017
	<i>HK\$'000</i> (unaudited)	<i>HK\$'000</i> (unaudited)	<i>HK\$'000</i> (unaudited)	<i>HK\$'000</i> (unaudited)	<i>HK\$'000</i> (unaudited)
Revenue	–	–	1,321,294	–	774,422
Cost of sales	–	–	<u>(1,235,805)</u>	–	<u>(381,084)</u>
Gross profit	–	–	85,489	–	393,338
Other income	–	–	59	31	39
Finance costs	–	–	–	–	–
Marketing and selling expenses	(5,165)	(12,019)	(29,299)	(10,819)	(4,950)
Administrative expenses	<u>(2,085)</u>	<u>(4,187)</u>	<u>(4,238)</u>	<u>(3,323)</u>	<u>(8,793)</u>
(Loss) profit before taxation	(7,250)	(16,206)	52,011	(14,111)	379,634
Taxation	<u>311</u>	–	<u>(6,317)</u>	–	<u>(90,177)</u>
(Loss) profit for the year/period	<u>(6,939)</u>	<u>(16,206)</u>	<u>45,694</u>	<u>(14,111)</u>	<u>289,457</u>
Other comprehensive income (expense)					
Item that will not be reclassified to profit or loss:					
Exchange differences arising on translation to presentation currency	<u>19</u>	<u>(380)</u>	<u>75</u>	<u>655</u>	<u>4,625</u>
Total comprehensive (expenses) income for the year/period	<u>(6,920)</u>	<u>(16,586)</u>	<u>45,769</u>	<u>(13,456)</u>	<u>294,082</u>

## UNAUDITED STATEMENTS OF FINANCIAL POSITION

	At 31 March			At
	2015	2016	2017	31 December
	HK\$'000	HK\$'000	HK\$'000	2017
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>NON-CURRENT ASSET</b>				
Property, plant and equipment	500	368	245	183
<b>CURRENT ASSETS</b>				
Properties under development	971,632	1,164,624	–	–
Completed properties for sale	–	–	1,069,427	687,359
Trade receivables	–	–	488	19,046
Prepayments, deposits and other receivables	12,748	49,227	7,161	5,414
Amounts due from related companies	–	118,010	–	–
Prepaid tax	–	13,238	62,627	27,956
Cash and bank balances	60,402	334,053	199,234	370,528
Total current assets	1,044,782	1,679,152	1,338,937	1,110,303
<b>CURRENT LIABILITIES</b>				
Trade payables	12,817	9,350	23,186	11,031
Other payables and accruals	49,182	225,725	801,078	632,685
Deposits received from pre-sales of properties	155,451	846,094	411,938	61,609
Amounts due to related companies	180,274	–	58,920	67,019
Interest-bearing bank borrowing	–	600,060	–	–
Tax payable	1,440	–	–	–
Total current liabilities	399,164	1,681,229	1,295,122	772,344
NET CURRENT ASSETS (LIABILITIES)	645,618	(2,077)	43,815	337,959
TOTAL ASSETS LESS CURRENT LIABILITIES	646,118	(1,709)	44,060	338,142
<b>CAPITAL AND RESERVES</b>				
Capital	189,143	189,143	189,143	189,143
Reserves	(174,266)	(190,852)	(145,083)	148,999
Total equity	14,877	(1,709)	44,060	338,142
<b>NON-CURRENT LIABILITY</b>				
Interest-bearing bank borrowings	631,241	–	–	–
TOTAL EQUITY AND NON-CURRENT LIABILITY	646,118	(1,709)	44,060	338,142

## UNAUDITED STATEMENTS OF CHANGES IN EQUITY

	Capital HK\$'000 (unaudited)	Exchange fluctuation reserve HK\$'000 (unaudited)	(Accumulated losses) retained profits HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
At 1 April 2014	189,143	–	(167,346)	21,797
Loss for the year	–	–	(6,939)	(6,939)
Exchange differences arising on translation to presentation currency	–	19	–	19
Total comprehensive income (expense)	–	19	(6,939)	(6,920)
At 31 March 2015	189,143	19	(174,285)	14,877
Loss for the year	–	–	(16,206)	(16,206)
Exchange differences arising on translation to presentation currency	–	(380)	–	(380)
Total comprehensive expense	–	(380)	(16,206)	(16,586)
At 31 March 2016	189,143	(361)	(190,491)	(1,709)
Profit for the year	–	–	45,694	45,694
Exchange differences arising on translation to presentation currency	–	75	–	75
Total comprehensive income	–	75	45,694	45,769
At 31 March 2017	189,143	(286)	(144,797)	44,060
Profit for the period	–	–	289,457	289,457
Exchange differences arising on translation to presentation currency	–	4,625	–	4,625
Total comprehensive income	–	4,625	289,457	294,082
At 31 December 2017	189,143	4,339	144,660	338,142
At 1 April 2016	189,143	(361)	(190,491)	(1,709)
Loss for the period	–	–	(14,111)	(14,111)
Exchange differences arising on translation to presentation currency	–	655	–	655
Total comprehensive income (expense)	–	655	(14,111)	(13,456)
At 31 December 2016	189,143	294	(204,602)	(15,165)

## UNAUDITED STATEMENTS OF CASH FLOWS

	Year ended 31 March			Nine months ended 31 December	
	2015	2016	2017	2016	2017
	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)
<b>OPERATING ACTIVITIES</b>					
(Loss) profit before taxation	(7,250)	(16,206)	52,011	(14,111)	379,634
Adjustment for:					
Depreciation	<u>-</u>	<u>-</u>	<u>102</u>	<u>-</u>	<u>75</u>
Operating cash flows before movements in working capital changes	(7,250)	(16,206)	52,113	(14,111)	379,709
(Increase) decrease in property inventories	(159,559)	(203,833)	45,345	(212,470)	437,568
Increase in trade receivables	-	-	(500)	-	(17,999)
(Increase) decrease in prepayments, deposits and other receivables	(11,429)	(37,907)	40,026	40,490	2,141
Increase (decrease) in trade payables	21,710	(2,899)	14,733	7,514	(13,249)
Increase (decrease) in deposits received from pre-sales of properties	155,292	713,448	(392,344)	809,055	(365,925)
Increase (decrease) in other payables and accruals	<u>1,439</u>	<u>182,834</u>	<u>602,698</u>	<u>(194,714)</u>	<u>(213,319)</u>
Cash from operations	203	635,437	362,071	435,764	208,926
PRC Enterprise Income Tax and PRC Land Appreciation Tax refunded (paid)	<u>1,749</u>	<u>(14,929)</u>	<u>(57,677)</u>	<u>(45,861)</u>	<u>(52,598)</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>1,952</u>	<u>620,508</u>	<u>304,394</u>	<u>389,903</u>	<u>156,328</u>
<b>INVESTING ACTIVITIES</b>					
(Advances to) repayments from related companies	-	(120,595)	113,524	113,416	-
Purchase of property, plant and equipment	<u>(577)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CASH (USED IN) FROM INVESTING ACTIVITIES</b>	<u>(577)</u>	<u>(120,595)</u>	<u>113,524</u>	<u>113,416</u>	<u>-</u>

	Year ended 31 March			Nine months ended 31 December	
	2015	2016	2017	2016	2017
	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)
FINANCING ACTIVITIES					
Advances from related companies	80,431	–	74,556	72,453	4,203
Repayments to related companies	–	(175,323)	(14,257)	(9,267)	–
Repayments of bank borrowings	–	(683)	(577,248)	(565,834)	–
Interest paid	(43,372)	(41,271)	(19,465)	(19,319)	–
NET CASH FROM (USED IN) FINANCING ACTIVITIES	<u>37,059</u>	<u>(217,277)</u>	<u>(536,414)</u>	<u>(521,967)</u>	<u>4,203</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	38,434	282,636	(118,496)	(18,648)	160,531
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR/ PERIOD	21,902	60,402	334,053	334,053	199,234
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	<u>66</u>	<u>(8,985)</u>	<u>(16,323)</u>	<u>(21,327)</u>	<u>10,763</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR/PERIOD, represented by cash and bank balances	<u>60,402</u>	<u>334,053</u>	<u>199,234</u>	<u>294,078</u>	<u>370,528</u>

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION****1. General information**

Wuhan Zhisheng is established in the People's Republic of China (the "PRC") with limited liability on 14 December 1995. The address of its registered office and principal place of business is 28 Changjiang Ribao Road, Jiangnan District, Wuhan, the PRC. During the Relevant Periods, Wuhan Zhisheng is principally engaged in the development and sale of commercial property project at Jiangnan District, Wuhan, the PRC.

**2. Basis of preparation**

The Unaudited Financial Information of Wuhan Zhisheng for each of the three years ended 31 March 2017 and the nine months ended 31 December 2017 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 dated 30 April 2018 issued by Coastal Greenland Limited (the "Company") in connection with the Disposal (as defined in the circular). The Unaudited 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" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The amounts included in the Unaudited Financial Information have been recognised and measured in accordance with the relevant accounting policies of the Company adopted in the preparation of its consolidated financial statements for the year ended 31 March 2017 which conform with Hong Kong Financial Reporting Standards issued by the HKICPA.



**A UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING  
GROUP**

The following is the Unaudited Pro Forma Financial Information of the Remaining Group as if the Disposal had completed on 30 September 2017 for the unaudited pro forma consolidated statement of financial position, and on 1 April 2016 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 statement of financial position of the Group as at 30 September 2017 as disclosed in the interim report of the Company for the six months ended 30 September 2017 (the “2017 Interim Report”), audited consolidated statement of profit or loss and other comprehensive income and audited consolidated statement of cash flows of the Group for the year ended 31 March 2017 as set out in the annual report of the Company for the year ended 31 March 2017 (the “2017 Annual Report”), and other financial information included elsewhere in the circular.

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 2017 as extracted from the 2017 Interim Report after making pro forma adjustments which are directly attributable to the Disposal and factually supportable, as if the Disposal had been completed on 30 September 2017.

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 audited consolidated statement of profit or loss and other comprehensive income and the audited consolidated statement of cash flows of the Group for the year ended 31 March 2017 as extracted from the 2017 Annual Report after making pro forma adjustments which are directly attributable to the Disposal and factually supportable, as if the Disposal had been completed on 1 April 2016.

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 outcome relating to the Disposal. It is prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group upon completion of the Disposal as at 30 September 2017 or any future date, or the financial performance and cash flows of the Group upon the completion of the Disposal for the year ended 31 March 2017 or any future period.

**APPENDIX III**
**UNAUDITED PRO FORMA FINANCIAL  
INFORMATION OF THE REMAINING GROUP**
**UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
*As at 30 September 2017*

	Pro forma adjustments						The Remaining Group HK\$'000
	The Group HK\$'000 Note (a)	Century East Group as at 30 September 2017 HK\$'000 Note (b)(i)	Excluded Group as at 30 September 2017 HK\$'000 Note (b)(ii)	Target Group as at 30 September 2017 HK\$'000 Note (b)(iii)	HK\$'000 Note (b)(iv)	HK\$'000 Note (c)	
<b>Non-current assets</b>							
Property, plant and equipment	228,478	(29,659)	23,983	(5,676)			222,802
Investment properties	215,015	(210,908)		(210,908)			4,107
Prepaid land lease payments	45,228						45,228
Interests in associates	2,713,624	(2,646,125)	14,220	(2,631,905)	(78,751)		2,968
Interests in joint ventures	333,610						333,610
Amounts due from associates and joint ventures	346,999						346,999
Other receivables	-					1,313,907	1,313,907
Available-for-sale investments	184,444						184,444
<b>Total non-current assets</b>	<b>4,067,398</b>						<b>2,454,065</b>
<b>Current assets</b>							
Properties under development	4,625,144	(2,671,251)	192,102	(2,479,149)			2,145,995
Completed properties for sale	2,020,852	(1,908,120)	31,705	(1,876,415)			144,437
Trade receivables	4,294	-		-			4,294
Prepayments, deposits and other receivables	1,483,261	(549,147)	138,537	(410,610)		766,495	1,839,146
Amounts due from associates and joint ventures	535,434	(757,850)	749,710	(8,140)			527,294
Prepaid tax	57,563	(71,845)	70,080	(1,765)			55,798
Pledged bank deposits	355,399			-			355,399
Cash and bank balances	1,156,034	(629,026)	82,324	(546,702)		4,472,220 (750,862)	4,330,690
	10,237,981						9,403,053
Assets classified as held for sale	1,197,856	(1,197,856)		(1,197,856)			-
<b>Total current assets</b>	<b>11,435,837</b>						<b>9,403,053</b>

**APPENDIX III**
**UNAUDITED PRO FORMA FINANCIAL  
INFORMATION OF THE REMAINING GROUP**

	Pro forma adjustments						The Remaining Group HK\$'000
	The Group HK\$'000 Note (a)	Century East Group as at 30 September 2017 HK\$'000 Note (b)(i)	Excluded Group as at 30 September 2017 HK\$'000 Note (b)(ii)	Target Group as at 30 September 2017 HK\$'000 Note (b)(iii)	HK\$'000 Note (b)(iv)	HK\$'000 Note (c)	
<b>Current liabilities</b>							
Trade and bills payables	820,827	(610,097)	103,558	(506,539)			314,288
Deposits received from pre-sales of properties	1,071,642	(958,148)	10,236	(947,912)			123,730
Other payables and accruals	2,453,806	(723,922)	374,410	(349,512)		2,784	2,107,078
Amount due to associates and joint ventures	–						–
Amount due to substantial shareholder of the Company	24,868						24,868
Tax payable	592,970	(807,398)	2,239	(805,159)		546,055	333,866
Interest-bearing bank and other borrowings	2,092,144	(1,262,152)		(1,262,152)			829,992
	<u>7,056,257</u>						<u>3,733,822</u>
Liabilities associated with assets classified as held for sale	556,350	(556,350)		(556,350)			–
Total current liabilities	<u>7,612,607</u>						<u>3,733,822</u>
<b>Net current assets</b>	<u>3,823,230</u>						<u>5,669,231</u>
<b>Total assets less current liabilities</b>	<u>7,890,628</u>						<u>8,123,296</u>
<b>Capital and reserves</b>							
Share capital	418,587						418,587
Reserves	4,379,466		97	97		958,647	5,338,210
Equity attributable to owners of the Company	4,798,053						5,756,797
Non-controlling interests	170,200	(1,263)		(1,263)			168,937
Total equity	<u>4,968,253</u>						<u>5,925,734</u>
<b>Non-current liabilities</b>							
Interest-bearing bank and other borrowings	2,537,486	(2,537,486)	64,732	(2,472,754)		1,884,217	1,948,949
Deferred tax liabilities	384,889	(123,625)	(12,651)	(136,276)			248,613
Total non-current liabilities	<u>2,922,375</u>						<u>2,197,562</u>
	<u>7,890,628</u>						<u>8,123,296</u>

**APPENDIX III**
**UNAUDITED PRO FORMA FINANCIAL  
INFORMATION OF THE REMAINING GROUP**
**UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME**
*For the year ended 31 March 2017*

	Pro forma adjustments							The Remaining Group HK\$'000
	The Group HK\$'000 Note (d)	Century East Group for the year ended 31 March 2017 HK\$'000		Target Group for the year ended 31 March 2017 HK\$'000			HK\$'000 Note (h)	
		Note (f) (i)	Excluded Group HK\$'000 Note (f) (ii)	Note (f) (iii)	Note (f) (iv)	Note (e)		
<b>Continuing operations</b>								
Revenue	1,131,348	(1,072,724)	50,207	(1,022,517)				108,831
Cost of sales	(982,164)	948,964	(107,704)	841,260				(140,904)
Gross profit (loss)	149,184			-				(32,073)
Other income and gains	47,304	25,511	330	25,841			24,455	97,600
Marketing and selling expenses	(58,663)	50,992	(12,709)	38,283				(20,380)
Administrative expenses	(202,850)	21,847	(18,767)	3,080				(199,770)
Other expenses	(653,102)	46,665	(4,341)	42,324		(2,500)		(613,278)
Finance costs	(218,346)	97,381	-	97,381			(145,842)	(266,807)
Share of loss of associates	(10,961)			-	(6,564)			(17,525)
Share of profit of joint ventures	2,111			-				2,111
Net gain on disposal of subsidiaries	1,845,900	(1,956,302)		(1,956,302)		2,589,855		2,479,453
Profit before taxation	900,577							1,429,331
Taxation	(176,074)	448,733	37,553	486,286		(518,152)		(207,940)
Profit for the year from continuing operations	724,503							1,221,391
<b>Discontinued operations</b>								
Loss for the year from discontinued operations	(17,063)							(17,063)
Profit for the year	707,440							1,204,328
Other comprehensive expense								
Item that will not be reclassified to profit or loss								
Exchange differences arising on translation to presentation currency	(201,763)	152,358	(36,817)	115,541				(86,222)
	(201,763)							(86,222)
Total comprehensive income for the year	505,677							1,118,106
Profit (loss) for the year attributable to: Owners of the Company								
- from continuing operations	724,515	(1,388,949)	(55,431)	(1,444,380)	(6,564)	2,069,203	(121,387)	1,221,387
- from discontinued operations	(17,063)							(17,063)
	707,452							1,204,324

**APPENDIX III**

**UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP**

	Pro forma adjustments							The Remaining Group HK\$'000
	Century East Group for the year ended 31 March 2017 HK\$'000 Note (f) (i)	Excluded Group HK\$'000 Note (f) (ii)	Target Group for the year ended 31 March 2017 HK\$'000 Note (f) (iii)	HK\$'000 Note (f) (iv)	HK\$'000 Note (e)	HK\$'000 Note (h)		
	The Group HK\$'000 Note (d)							
(Loss) profit for the year attributable to non-controlling interests:								
from continuing operations	(12)	16	16				4	
from discontinued operations	-						-	
	<u>(12)</u>						<u>4</u>	
	<u>707,440</u>						<u>1,204,328</u>	
Total comprehensive income (expense) for the year attributable to:								
Owners of the Company	507,984	(1,236,591)	(1,328,839)	(6,564)	2,069,203	(121,387)	1,120,397	
Non-controlling interests	<u>(2,307)</u>	16	16				<u>(2,291)</u>	
	<u>505,677</u>						<u>1,118,106</u>	

**APPENDIX III**
**UNAUDITED PRO FORMA FINANCIAL  
INFORMATION OF THE REMAINING GROUP**
**UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS**
*For the year ended 31 March 2017*

	Pro forma adjustments							The Remaining Group HK\$'000
	The Group HK\$'000 Note (d)	Century East Group for the year ended 31 March 2017 HK\$'000 Note (f)(i)	Excluded Group HK\$'000 Note (f)(ii)	Target Group for the year ended 31 March 2017 HK\$'000 Note (f)(iii)	HK\$'000 Note (f)(iv)	HK\$'000 Note (g)	HK\$'000 Note (h)	
<b>OPERATING ACTIVITIES</b>								
Profit (loss) before taxation	900,577	(1,837,666)	(92,984)	(1,930,650)	(6,564)	2,587,355	(121,387)	1,429,331
Adjustments for:								
Finance costs	218,346	(97,381)		(97,381)			145,842	266,807
Share of loss of associates	10,961				6,564			17,525
Share of profit of joint ventures	(2,111)							(2,111)
Interest income	(7,515)	132	(82)	50			(24,455)	(31,920)
Depreciation	7,210	(1,372)	687	(685)				6,525
Amortisation of prepaid land lease payments	1,480							1,480
(Gain) loss on disposal of property, plant and equipment	(3,531)	1,813	281	2,094				(1,437)
Impairment loss recognised on other receivables	357,948							357,948
Reversal of impairment loss on trade receivables	(8,893)							(8,893)
Impairment loss recognised on trade receivables	3,845							3,845
Impairment loss recognised on properties under development	74,120	(74,120)	74,120					74,120
Impairment loss recognised on amounts due from associates	253,101							253,101
Impairment loss recognised on amounts due from fellow subsidiaries	-	(28,224)	28,224					-
Net (gain) loss on disposal of subsidiaries	(1,825,527)	1,956,302		1,956,302		(2,069,203)		(1,938,428)
Operating (loss) profit before working capital changes	(19,989)							427,893
(Increase) decrease in property inventories	(309,793)	1,493,982	150,181	1,644,163				1,334,370
Decrease in trade receivables	9,436			-				9,436
(Increase) decrease in prepayments, deposits and other receivables	(473,248)	(79,107)	32,878	(46,229)		767,685		248,208
Increase in restricted bank balances	(164,509)							(164,509)
Increase in trade and bills payables	744,642	(625,404)	(10,885)	(636,289)				108,353
Increase in deposits received from pre-sales of properties	350,858	(89,672)	231,840	142,168				493,026
Decrease in other payables and accruals	(987,047)	(317,033)	(11,940)	(328,973)		(2,500)		(1,318,520)
Cash (used in) from operations	(849,650)							1,138,257
PRC Enterprise Income Tax ("EIT") and PRC Land Appreciation Tax ("LAT") (paid) refunded	(78,492)	9,783	(8,738)	1,045		(518,152)		(595,599)
Net cash (used in) from operating activities	(928,142)							542,658

**APPENDIX III**
**UNAUDITED PRO FORMA FINANCIAL  
INFORMATION OF THE REMAINING GROUP**

	Pro forma adjustments							The Remaining Group HK\$'000
	Century East Group for the year ended 31 March 2017 HK\$'000 Note (f)(i)	Excluded Group HK\$'000 Note (f)(ii)	Target Group for the year ended 31 March 2017 HK\$'000 Note (f)(iii)	HK\$'000 Note (f)(iv)	HK\$'000 Note (g)	HK\$'000 Note (h)		
	The Group HK\$'000 Note (d)							
<b>INVESTING ACTIVITIES</b>								
Additional investment in an associate	(352,191)							(352,191)
Advance to associates and joint ventures	(226,531)	197,960		197,960				(28,571)
Repayment from associates and joint ventures	311,846	(98,431)	4,524	(93,907)				217,939
Acquisition of interests in available-for-sale investments	(3,379)							(3,379)
Purchases of property, plant and equipment	(5,089)	33	(33)	-				(5,089)
Proceeds from disposal of subsidiaries	1,005,215	(925,150)		(925,150)		4,560,380		4,640,445
Acquisitions of subsidiaries	-				190,574	(765,666)		(575,092)
Placement of pledged bank deposits	(25,696)	(190,731)		(190,731)				(216,427)
Withdrawal of pledged bank deposits	3,787							3,787
Proceeds from disposal of property, plant and equipment	7,705	(2,354)		(2,354)				5,351
Interest received	7,515	(132)	82	(50)				7,465
Net cash from investing activities	723,182							3,694,238
<b>FINANCING ACTIVITIES</b>								
New bank and other borrowings	4,134,987	(2,389,078)	22,528	(2,366,550)				1,768,437
Repayment of bank and other borrowings	(3,035,406)	2,493,313	(192,019)	2,301,294				(734,112)
Interest paid	(506,691)	220,199	(141,585)	78,614			(145,842)	(573,919)
Advance from a substantial shareholder of the Company	19,093							19,093
Other financing cash flows	-	48,265		48,265				48,265
Net cash from financing activities	611,983							527,764
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	407,023							4,764,660
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	249,920							249,920
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	(107,907)	26,352	(29,887)	(3,535)				(111,442)
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by cash and bank balances</b>	549,036							4,903,138

**Notes:**

- (a) The unaudited condensed consolidated statement of financial position of the Group as at 30 September 2017 is extracted from the published interim report of the Company for the six months ended 30 September 2017.
- (b)(i) The carrying amounts of the assets and liabilities of the Target Group are extracted from the underlying accounting records of the Target Group prepared by the directors of the Target Company.

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**APPENDIX III****UNAUDITED PRO FORMA FINANCIAL  
INFORMATION OF THE REMAINING GROUP**

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- (b)(ii) The targets of the Disposal only include seven property projects through the disposal of the relevant project companies. The other companies which are indirect subsidiaries of the Target Company that are not targets of the Disposal are collectively referred to as the Excluded Group. For details, please refer to Note 1 General and Reorganisation to Financial Information of the Target Group as set out in Section A of the Appendix II to this circular. The carrying amounts of the assets and liabilities of the Excluded Group are extracted from the underlying accounting records of the Target Group prepared by the directors of the Target Company.
- (b)(iii) The adjustment reflects the deconsolidation of assets and liabilities of the Target Group (excluding companies that are not disposed of as stated in note (b)(ii), Foshan Harmonious and Wuhan Zhisheng) as if the Disposal had been completed on 30 September 2017.
- (b)(iv) The adjustment reflects the derecognition of interest in Foshan Harmonious, which is currently an associate of the Group (see note (c)(iii) below), as if the Disposal had been completed on 30 September 2017. The carrying amount of the interest in Foshan Harmonious is extracted from the underlying accounting records of the Group.
- (c) The adjustment reflects the pro forma gain on the Disposal assuming that the Disposal had been taken place on 30 September 2017.

	<i>HK\$'000</i>
Consideration	
– Cash consideration ( <i>note i</i> )	4,472,220
– Assignment of receivable due from the Target Group (the “Receivable”) ( <i>note ii</i> )	<u>60,355</u>
	4,532,575
Less: Cost of Disposal	
Carrying amount of existing 20% interest in Foshan Harmonious as at 30 September 2017 ( <i>note iii</i> )	(78,751)
Cost of acquisition of 80% equity interest of Foshan Harmonious and 60% equity interest of Wuhan Zhisheng ( <i>note iii</i> )	(750,862)
Carrying amounts of assets and liabilities of the Target Group before Reorganisation as at 30 September 2017	(3,091,346)
Exclusion of carrying amounts of assets and liabilities of the Excluded Group	760,040
Special conditions in relation to the Disposal ( <i>notes iv and v</i> )	<u>135,546</u>
Total	<u>1,507,202</u>
Less: Transaction costs – professional fee ( <i>note vi</i> )	(2,500)
Less: Tax imposed on gain on the Disposal ( <i>note vii</i> )	<u>(546,055)</u>
Net gain on the Disposal	<u><u>958,647</u></u>

(*Note i*) Being cash consideration of RMB3,800,000,000 (equivalent to HK\$4,472,220,000 based on the exchange rate of RMB1:HK\$1.1769 prevailing on 30 September 2017), receivable by to the Remaining Group.



(Note ii) Pursuant to the Disposal Agreement, the consideration also includes receivable due from the Target Group in the amount of RMB51,283,000 (equivalent to HK\$60,355,000 based on the exchange rate of RMB1:HK\$1.1769 prevailing on 30 September 2017) which will be assigned to Yuzhou Group. The repayment term is not specified in the Disposal Agreement. The directors of the Company expected that the amount will be settled within one year from 30 September 2017.

(Note iii) The Group currently holds 20% and 30% equity interest in Foshan Harmonious and Wuhan Zhisheng respectively through other subsidiaries of the Group which are not within the Target Group and they are classified as associate and joint venture of the Group respectively. Pursuant to the Disposal Agreement, the Group is required to acquire further 80% and 60% equity interest in Foshan Harmonious and Wuhan Zhisheng from other shareholders of Foshan Harmonious and Wuhan Zhisheng before the Reorganisation and the Remaining Group will retain 30% interest in Wuhan Zhisheng after the Disposal. Based on the sales and purchase agreement with other shareholders of Foshan Harmonious and Wuhan Zhisheng dated on January 2018 and April 2018, respectively, the consideration for further acquisition of 80% and 60% equity interest in Foshan Harmonious and Wuhan Zhisheng are RMB272,000,000 (equivalent to HK\$320,117,000 based on the exchange rate of RMB1:HK\$1.1769 prevailing on 30 September 2017) and RMB366,000,000 (equivalent to HK\$430,745,000 based on the exchange rate of RMB1:HK\$1.1769 prevailing on 30 September 2017) respectively. The aggregate consideration of HK\$750,862,000 is included as part of cost of Disposal for the purpose of the Unaudited Pro Forma Financial Information. The acquisition related costs were expected to be insignificant.

The Group's existing 20% interest in Foshan Harmonious is also part of the targets of Disposal. The carrying amount of the interest in associate as at 30 September 2017 is extracted from the Group's underlying accounting records.

(Note iv)

	<i>HK\$'000</i>
Guaranteed dividend receivable entitled to the Remaining Group	2,020,047*
Obligation to settle the borrowing of the Disposal Group	(1,884,217)**
Compensation of the discharge of obligation to an independent third party	<u>(284)***</u>
Total special conditions	<u><u>135,546</u></u>

\* Tianjin Harmonious Realty Development Co., Limited ("Tianjin Harmonious"), an associate of Coastal Greenland Development (Wuhan) Ltd. ("Coastal Wuhan"), has a property development project in Tianjin. Coastal Wuhan is a subsidiary of the Target Group. Pursuant to the Disposal Agreement, the Remaining Group is entitled to receive guaranteed dividend from Tianjin Harmonious amounting to RMB1,834,000,000. The Remaining Group is still entitled to receive such guaranteed dividend from Tianjin Harmonious after the Disposal. The directors of the Company expect that the amount will be settled by instalments within two years after completion of the Disposal. The present value of guaranteed dividend is RMB1,716,413,000 (equivalent to HK\$2,020,047,000 based on the exchange rate of RMB1:HK\$1.1769 prevailing on 30 September 2017, of which HK\$706,140,000 is expected to be repaid within one year after 30 September 2017).

\*\* In previous years, the Target Group has raised a loan of RMB1,601,000,000 (equivalent to HK\$1,884,217,000 based on the exchange rate of RMB1:HK\$1.1769 prevailing on 30 September 2017) from a financial institution, of which the right to receive the guaranteed dividend from Tianjin Harmonious is secured. The obligation to repay the outstanding loan balance was assigned to the Remaining Group after the Disposal. Even if the Group does not receive guaranteed dividend, the Remaining Group is still obliged to repay this amount by October 2019, which is the original maturity of the loan. Accordingly, this loan balance is included in non-current liability in the Unaudited Pro Forma Financial Information.

\*\*\* In previous years, Tianjin Harmonious has signed a framework agreement with an independent third party and received a sum for coordination of future acquisition of a land by the independent third party which is developed by Tianjin Harmonious. As part of the Disposal, the Group is obliged to pay compensation to an independent third party for cancellation of the framework agreement. Provision of compensation in relation to the land acquisition is determined to be approximately HK\$284,000, based on the terms and conditions set out in an agreement with the independent third party.

(Note v) In addition to the above, there is a term in the Disposal Agreement with reference to the agreement entered into between the previous subsidiary of the Group, Jingdian Construction Co., Ltd (“Jingdian”) with Tianjin Harmonious, in the event being engaged by Tianjin Harmonious in relation to the construction of resettlement area of approximately gross floor area of 0.6 million sq.m. to the government within two years after completion of the Disposal, fails to deliver the construction of such resettlement area, Tianjin Harmonious shall deduct from the guaranteed dividend payable to the Remaining Group (a) 150% of the development cost for the incomplete portion of such resettlement area; and (b) any loss incurred by Tianjin Harmonious as a result of the late delivery of such resettlement area to the government.

A letter of indemnity is obtained from Jingdian in which Jingdian shall indemnify the Remaining Group from and against all losses incurred as a result of the late delivery of such resettlement area to the government. The directors of the Company are of the view that the above arrangement will not have significant impact on the consideration or the net gain on the Disposal because (i) the directors of the Target Company are not aware of any delay of construction of resettlement area and (ii) letter of indemnity is obtained from Jingdian. If the outcome is different from the above management’s assessment, the net gain on the Disposal may be increased or decreased significantly.

(Note vi) The Group estimates that the professional fee directly attributable to the Disposal is HK\$2,500,000.

(Note vii) Being estimated tax charged on in relation to the Disposal.

(d) The audited consolidated statement of profit or loss and other comprehensive income and the audited consolidated statement of cash flows for the year ended 31 March 2017 are extracted from the published annual report of the Company for the year ended 31 March 2017.

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**APPENDIX III****UNAUDITED PRO FORMA FINANCIAL  
INFORMATION OF THE REMAINING GROUP**

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- (e) The adjustment reflects the pro forma gain on the Disposal assuming the Disposal had been taken place on 1 April 2016.

	<i>HK\$'000</i>
Consideration	
– Cash consideration ( <i>note viii</i> )	4,560,380
– Assignment of the Receivable ( <i>note ix</i> )	<u>61,545</u>
	4,621,925
Less: Cost of Disposal	
Carrying amount of existing 20% interest in Foshan Harmonious as at 1 April 2016 ( <i>note x</i> )	(77,087)
Cost of acquisition of 80% equity interest of Foshan Harmonious and 60% equity interest of Wuhan Zhisheng ( <i>note x</i> )	(765,666)
Carrying amounts of assets and liabilities of the Target Group before Reorganisation as at 1 April 2016 (extracted from Unaudited Financial Information set out in Appendix II to this circular)	(2,006,297)
Exclusion of carrying amounts of assets and liabilities of the Excluded Group (extracted from underlying accounting records of the Excluded Group)	904,956
Special conditions in relation to the Disposal ( <i>note xi</i> )	<u>(87,976)</u>
Total	2,589,855
Less: Transaction costs – professional fee ( <i>note xii</i> )	(2,500)
Less: Tax imposed on gain on the Disposal ( <i>note xiii</i> )	<u>(518,152)</u>
Net gain on the Disposal	<u><u>2,069,203</u></u>

(*Note viii*) Being cash consideration of RMB3,800,000,000 (equivalent to HK\$4,560,380,000 based on the exchange rate of RMB1:HK\$1.2001 prevailing on 1 April 2016) receivable by the Remaining Group.

(*Note ix*) Pursuant to the Disposal Agreement, the consideration also includes receivable due from the Target Group in the amount of RMB51,283,000 (equivalent to HK\$61,545,000 based on the exchange rate of RMB1:HK\$1.2001 prevailing on 1 April 2016) which will be assigned to Yuzhou Group. The repayment term is not specified in the Disposal Agreement. The directors of the Company expected that the amount will be settled within one year from 1 April 2016.

(*Note x*) The Group currently holds 20% and 30% equity interest in Foshan Harmonious and Wuhan Zhisheng respectively through other subsidiaries of the Group which are not within the Target Group and they are classified as associate and joint venture of the Group respectively. Pursuant to the Disposal Agreement, the Group is required to acquire further 80% and 60% equity interest in Foshan Harmonious and Wuhan Zhisheng from other shareholders of Foshan Harmonious and Wuhan Zhisheng before the Reorganisation and the Remaining Group will retain 30% interest in Wuhan Zhisheng after the Disposal. Based on the

sales and purchase agreement with other shareholders of Foshan Harmonious and Wuhan Zhisheng dated on January 2018 and April 2018, respectively, the consideration for further acquisition of 80% and 60% equity interest in Foshan Harmonious and Wuhan Zhisheng are RMB272,000,000 (equivalent to HK\$326,430,000 based on the exchange rate of RMB1:HK\$1.2001 prevailing on 1 April 2016) and RMB366,000,000 (equivalent to HK\$439,236,000 based on the exchange rate of RMB1:HK\$1.2001 prevailing on 1 April 2016) respectively. The aggregate consideration of HK\$765,666,000 is included as part of cost of Disposal for the purpose of the Unaudited Pro Forma Financial Information. The acquisition related costs were expected to be insignificant.

The Group's existing 20% interest in Foshan Harmonious is also part of the targets of Disposal. The carrying amount of the interest in associate as at 1 April 2016 is extracted from the Group's underlying accounting records.

(Note xi)

	<i>HK\$'000</i>
Guaranteed dividend receivable entitled to the Remaining Group	1,833,409 <sup>(#)</sup>
Obligation to settle the borrowing of the Disposal Group	(1,921,360) <sup>(##)</sup>
Compensation of the discharge of obligation to an independent third party	<u>(25)<sup>(###)</sup></u>
Total special conditions	<u><u>(87,976)</u></u>

<sup>(#)</sup> Tianjin Harmonious Realty Development Co., Limited ("Tianjin Harmonious"), an associate of Coastal Greenland Development (Wuhan) Ltd. ("Coastal Wuhan"), has a property development project in Tianjin. Coastal Wuhan is a subsidiary of the Target Group. Pursuant to the Disposal Agreement, the Remaining Group is entitled to receive guaranteed dividend from Tianjin Harmonious amounting to RMB1,834,000,000. The Remaining Group is still entitled to receive such guaranteed dividend from Tianjin Harmonious after the Disposal. The directors of the Company expected that the amount will be settled by instalments within two years after completion of the Disposal. The present value of guaranteed dividend is RMB1,527,714,000 (equivalent to HK\$1,833,409,000 based on the exchange rate of RMB1:HK\$1.2001 prevailing 1 April 2016).

<sup>(##)</sup> In previous year, the Target Group has raised a loan of RMB1,601,000,000 (equivalent to HK\$1,921,360,000 based on the exchange rate of RMB1:HK\$1.2001 prevailing on 1 April 2016) from a financial institution, of which the right to receive the guaranteed dividend from Tianjin Harmonious is secured. The obligation to repay the outstanding loan balance was assigned to the Remaining Group after the Disposal. Even if the Group does not receive guaranteed dividend, the Remaining Group is still obliged to repay this amount by October 2019, which is the original maturity of the loan. Accordingly, this loan balance is included in non-current liability in the Unaudited Pro Forma Financial Information.

<sup>(###)</sup> In previous years, Tianjin Harmonious has signed a framework agreement with an independent third party and received a sum for coordination of future acquisition of a land by the independent third party which is developed by Tianjin Harmonious. As part of the Disposal, the Group is obliged to pay compensation to an independent third party for cancellation of the framework agreement. Provision of compensation in relation to the land acquisition is determined to be approximately HK\$25,000, based on the terms and condition set out in an agreement with the independent third party.

(Note xii) The Group estimates that the professional fee directly attributable to the Disposal is HK\$2,500,000.

(Note xiii) Being estimated tax charged in relation to the Disposal.

- (f)(i) The financial performance and cash flows of the Target Group are extracted from the Unaudited Combined Financial Information as set out in Appendix II to this circular.
- (f)(ii) The targets of the Disposal only include seven property projects through the disposal of the relevant project companies. The other companies which are indirect subsidiaries of the Target Company that are not targets of the Disposal are collectively referred to as the Excluded Group. For details, please refer to Note 1 General and Reorganisation to Financial Information of the Target Group as set out in Section A of the Appendix II to this circular. The carrying amounts of the assets and liabilities of the Excluded Group are extracted from the underlying accounting records of the Target Group prepared by the directors of the Target Company.
- (f)(iii) The adjustment reflects the deconsolidation of financial performance and cash flows of the Target Group (excluding companies that are not disposed of as stated in note (f)(ii), Foshan Harmonious and Wuhan Zhisheng) as if the Disposal had been completed on 1 April 2016.
- (f)(iv) The adjustment reflects (i) the derecognition of financial performance of Foshan Harmonious and (ii) cash balance acquired in relation to the acquisition of further interest in Foshan Harmonious (see note (c)(iii)).
- (g) The adjustment reflects (i) cash inflows from the Disposal comprised of cash consideration of RMB3,800,000,000 (equivalent to HK\$4,560,380,000 based on the exchange rate of RMB1: HK\$1.2001 prevailing on 1 April 2016) and less payment of professional fee relating to the Disposal of HK\$2,500,000 and the cash outflows, in relation to the Reorganisation including the acquisition of further interests in Foshan Harmonious and Wuhan Zhisheng, with an aggregate consideration of HK\$765,666,000 set out in note (e)(x); (ii) receipt of current portion of guaranteed dividend of HK\$706,140,000 as stated in note (c)(iv); and (iii) receipt of the Receivable RMB51,283,000 (equivalent to HK\$61,545,000 based on the exchange rate of RMB1:HK\$1.2001 prevailing on 1 April 2016).
- (h) The adjustment reflects the impact on the profit or loss and cash flow for the imputed interest income recognised for the guaranteed dividend receivable amounting to HK\$24,455,000 for the year ended 31 March 2017 and the interest expense incurred for the borrowing assigned to the Remaining Group amounting to HK\$145,842,000 mentioned in adjustment (e)(xi).
- (i) The pro forma adjustments (e), (f)(i), (f)(iv) and (g) are not expected to have a continuing effect on 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.
- (j) Other than set out above, no other adjustments have been made to reflect any trading result or other transactions that the Group entered into subsequent to 30 September 2017.

**B ASSURANCE REPORT ON UNAUDITED PRO FORMA FINANCIAL  
INFORMATION**

*The following is the text of the independent reporting accountant's assurance report received from Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this circular.*

**Deloitte.****德勤****INDEPENDENT REPORTING ACCOUNTANTS' 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 unaudited 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 unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 30 September 2017, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2017, the unaudited pro forma consolidated statement of cash flows for the year ended 31 March 2017 and related notes as set out on pages III-2 to III-13 of the circular issued by the Company dated 30 April 2018 (the "Circular"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages III-7 to III-13 of the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the Disposal (as defined in the Circular) on the Group's financial position as at 30 September 2017 and the Group's financial performance and cash flows for the year ended 31 March 2017 as if the Disposal had taken place at 30 September 2017 and 1 April 2016 respectively. As part of this process, information about the Group's financial position, financial performance and cash flows has been extracted by the Directors from the Group's financial statements for the six months ended 30 September 2017, on which no auditor's report or review report has been published and the Group's financial statements for the year ended 31 March 2017, on which an auditor's 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 (the "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 Accountants' 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 accountants plan and perform 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 the 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 2017 or 1 April 2016 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 transactions, 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 accountants' judgment, having regard to the reporting accountants' 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 unaudited 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  
30 April 2018

*The following is the text of a letter, summary of valuations and valuation reports prepared for the purpose of incorporation in the Circular, received from Cushman & Wakefield Limited, an independent property valuer, in connection with its opinion of value of the property interest to be disposed of by the Group as at 28 February 2018.*



16/F  
Jardine House  
1 Connaught Place  
Central  
Hong Kong

30 April 2018

The Directors  
Coastal Greenland Limited  
Unit Nos. 12 to 16, 17/F  
China Merchants Tower  
Shun Tak Centre  
168-200 Connaught Road Central  
Hong Kong

Dear Sirs,

**Instructions, Purpose & Valuation date**

In accordance with your instructions for us to value the properties to be disposed of by Coastal Greenland Limited (referred to as the “Company”) and its subsidiaries and associated companies (hereinafter together referred to as the “Group”) in the People’s Republic of China (the “PRC”) (as more particularly described in the valuation reports), we confirm that we have inspected the properties, made relevant enquiries and obtained such further information as we consider necessary to provide you with our opinion of the value of such properties as at 28 February 2018 (the “valuation date”).

**Definition of Market Value**

Our valuation of each of the properties represents its Market Value which in accordance with the HKIS Valuation Standards 2017 published by the Hong Kong Institute of Surveyors is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

**Valuation Basis and Assumptions**

Our valuations exclude an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

In valuing the properties, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, The Code on Takeovers and Mergers and Share Repurchases of Securities and Future Commission and the HKIS Valuation Standards 2017 issued by the Hong Kong Institute of Surveyors.

In the course of our valuation of the properties in the PRC, we have assumed that, unless otherwise stated, the transferable land use rights of the properties for their term at nominal annual land use fees have been granted and that any premium payable has already been fully paid.

We have relied on the information provided by the Group and the advice provided by Commerce & Finance Law Offices, the Group's legal advisor, regarding the title to the properties and the interest of the Group in the properties. In valuing the properties, we have assumed that the owners of the properties have an enforceable title to the properties and has free and uninterrupted rights to use, occupy or assign the properties for the whole of the unexpired land use term as granted.

In respect of the properties situated in the PRC, the status of titles and grant of major certificates, approvals and licenses, in accordance with the information provided by the Group are set out in the notes of the valuation reports.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the properties nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their value.

**Method of Valuation**

For properties in Group I, we have used the direct comparison approach assuming sale of the properties in its existing state by reference to comparable sales evidences as available in the relevant market.

For properties in Groups II to IV, we have valued the properties on the basis that they will be developed and completed in accordance with the latest development proposal (if any) provided to us. In arriving at our opinion of value, we have adopted direct comparison approach by making reference to comparable sales evidence as available in the relevant market and we have also taken into account the expended construction costs and the construction costs that will be expended to complete the development to reflect the quality of the completed development.

We have used direct comparison approach as the main valuation method because most of the properties are held for the purpose of sale and comparable sales evidences for the type of properties in the relevant market are adequate.

We have not used other valuation methods such as income approach and cost approach because there was no property under valuation which is leased and has rental income. Moreover cost approach is used when the property under valuation is special nature of buildings where there is no readily identifiable comparable market transactions and the property cannot be valued by comparable market transactions.

#### **Source of Information**

We have been provided by the Group with extracts of documents in relation to the titles to the properties. However, we have not inspected the original documents to ascertain any amendments which may not appear on the copies handed to us.

In the course of our valuation, we have relied to a very considerable extent on the information given to us by the Group in respect of the properties in the PRC and have accepted advice given by the Group on such matters as planning approvals or statutory notices, identification of land and buildings, completion date of buildings, construction cost, site and floor areas, interest attributable to be disposed of by the Group and all other relevant matters.

Dimensions, measurements and areas included in the valuation reports are based on information provided to us and are therefore only approximations. We have had no reason to doubt the truth and accuracy of the information provided to us by the Group which is material to the valuation. We were also advised by the Group that no material facts have been omitted from the information provided.

**Title Investigation**

We have been provided with extracts of documents relating to the titles of the properties in the PRC but no searches have been made in respect of the properties. We have not searched the original documents to verify ownership or to ascertain any amendment which may not appear on the copies handed to us. We are also unable to ascertain the title of the properties in the PRC and we have therefore relied on the advice given by the Group and the Group's legal advisor, Commerce & Finance Law Offices regarding the Group's interests in the PRC properties.

Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of any onerous nature which could affect their values.

**Site Inspection**

We have inspected the exterior and, whenever possible, the interior of the properties in March 2018. However, we have not carried out investigations on site to determine the suitability of the ground conditions and the services etc. for any future development. Our valuation is prepared on the assumption that these aspects are satisfactory and that no unexpected costs or delays will be incurred during the construction period. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are, however, not able to report that the properties are free of rot, infestation or any other structural defects. No tests were carried out to any of the services. Unless otherwise stated, we have not been able to carry out on-site measurements to verify the site and floor areas of the properties and we have assumed that the area shown on the documents handed to us are correct.

Our valuers who have undertaken inspection of the properties comprise Ms. Sherry Shi (施蕾), our Shanghai office valuer, Ms. Fiona Hang (杭英), our Wuhan office valuer, Mr. Jeffery Wang (王志福), our Shenyang office valuer, Mr. Ken He (何曉明), our Guangzhou office valuer, Ms. Lisa N Li (李娜), our Tianjin office valuer and Mr. Eric Liu (劉鵬博), our Beijing office valuer.

**Currency**

Unless otherwise stated, all money amounts indicated herein our valuation are in Renminbi (RMB), official currency of the PRC.

We enclose herewith our summary of valuations and valuation reports.

Yours faithfully,  
for and on behalf of  
**Cushman & Wakefield Limited**  
**Andrew K.F. Chan**  
Registered Professional Surveyor (General Practice)  
Registered China Real Estate Appraiser  
*MSc, MRICS, MHKIS*  
*Regional Director*  
Valuation & Advisory Services, Greater China

*Note:* Mr. Andrew K. F. Chan is a Registered Professional Surveyor who has over 30 years of experience in the valuation of properties in the PRC.

## SUMMARY OF VALUATIONS

Property	Market value in existing state as at 28 February 2018 RMB	Interest attributable to the Group %	Market value in existing state attributable to the Group as at 28 February 2018 RMB
<b>Group I – Properties held by the Group for sale in the PRC</b>			
1. Unsold portion of Phases 1 to 7 of Wuhan Silo City, west of Zhangbai Road, north of Jianshan Avenue, Huangshihai, Dongxihu District, Wuhan, Hubei Province, the PRC  中國湖北省武漢市黃獅海東西湖區 長柏公路以西、金山大道以北 賽洛城一期至七期未售部分	2,000,000,000	100	2,000,000,000
2. Unsold portion of The One of Lakeside Park, Huanzihu Village, Tangjiadun Street, Jiangnan District, Wuhan, Hubei Province, the PRC  中國湖北省武漢市江漢區唐家墩街 皖子湖村菱角湖壹號未售部分	829,000,000	30	248,700,000
3. Unsold portion of Shenyang Coastal International Center, 8 Tiantan South Street, Hunnan New District, Shenyang, Liaoning Province, the PRC  中國遼寧省瀋陽市渾南新區 天壇南街8號瀋陽沿海國際中心項目未售部分	548,000,000	100	548,000,000
4. Unsold portion of Foshan Coastal Garden, 16 Kangko Road, Chancheng District, Foshan, Guangdong Province, the PRC  中國廣東省佛山市禪城區港口路16號 佛山沿海馨庭未售部分	212,000,000	20	42,400,000
Sub-total	<u>3,589,000,000</u>		<u>2,839,100,000</u>

**APPENDIX IV**
**VALUATION REPORT ON THE PROPERTIES**

Property	Market value in existing state as at 28 February 2018 RMB	Interest attributable to the Group %	Market value in existing state attributable to the Group as at 28 February 2018 RMB
<b>Group II – Properties held by the Group under development in the PRC</b>			
5. The under construction development of Shenyang Coastal International Center, 8 Tiantan South Street, Hunnan New District, Shenyang, Liaoning Province, the PRC  中國遼寧省瀋陽市渾南新區 天壇南街8號 瀋陽沿海國際中心項目在建工程	502,000,000	100	502,000,000
Sub-total	<u>502,000,000</u>		<u>502,000,000</u>
<b>Group III – Properties held by the Group for future development in the PRC</b>			
6. Development site situated at Beishanwei Road, Chenxiangtun Town, Sujiatun District, Shenyang, Liaoning Province, the PRC  中國遼寧省瀋陽市蘇家屯區 陳相屯鎮北山委路蘇家屯項目待建土地	1,435,000,000	100	1,435,000,000
7. Various development sites situated to the north of Jinyong Road, to the east of Tiexi Road, to the south of Tengtai Road and to the west of Jingbao Industrial Park, Beicang Town, Beichen District, Tianjin, the PRC,  中國天津市北辰區北倉鎮北至津永路，南至藤泰道，東至鐵西路，西至京保工業園一些可發展地塊	No commercial value	30	No commercial value
Sub-total	<u>1,435,000,000</u>		<u>1,435,000,000</u>



**APPENDIX IV**

**VALUATION REPORT ON THE PROPERTIES**

Property	Market value in existing state as at 28 February 2018 RMB	Interest attributable to the Group %	Market value in existing state attributable to the Group as at 28 February 2018 RMB
<b>Group IV – Properties held by the Group for investment and future development in the PRC</b>			
8. Development site on the north of 1A Jianguomenwai Avenue, Chaoyang District, Beijing, the PRC  中國北京市朝陽區 建國門外大街甲1號 北側待建土地	No commercial value	65	No commercial value
Sub-total	No commercial value		No commercial value
Grand total of Groups I to IV	<u>5,526,000,000</u>		<u>4,776,100,000</u>

## VALUATION REPORT

## Group I – Properties held by the Group for sale in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2018
<p>1. Unsold portion of Phases 1 to 7 of Wuhan Silo City, west of Zhangbai Road and north of Jianshan Avenue, Huangshihai, Dongxihu District, Wuhan, Hubei Province, the PRC</p> <p>中國湖北省武漢市黃獅海東西湖區長柏公路以西、金山大道以北賽洛城一期至七期未售部分</p>	<p>Wuhan Silo City is a residential development developed on 11 parcels of land with a total site of approximately 874,947.33 sq m.</p> <p>The property comprises unsold portion of Phases 1 to 7 of Wuhan Silo City with a total gross floor area of approximately 284,653.07 sq m.</p> <p>The immediate locality of the property is a sub-urban area in Wuhan where are predominated by residential developments with commercial and communal facilities.</p> <p>The property is held with land use rights for a term of 70 years due to expire on 19 June 2072 for residential use.</p>	<p>As at the valuation date, the property was vacant.</p>	<p>RMB2,000,000,000</p> <p>(RENMINBI TWO BILLION)</p> <p>(100% interest attributable to the Group: RMB2,000,000,000)</p>

## Notes:-

- (1) According to 11 State-owned Land Use Rights Certificates issued by Wuhan Dongxihu District Land Resources Administrative Bureau or The People's Government of Wuhan on 20 January 2006, the land use rights of the property, comprising a total site area of approximately 874,947.33 sq m have been vested in 沿海綠色家園發展(武漢)有限公司 (Coastal Greenland Development (Wuhan) Ltd) for residential use for a term due to expire on 19 June 2072. Details of the said certificates are cited as follows:-

Certificate No.	Site area (sq m)
(2008) 010602120	65,452.09
(2008) 010602121	75,659.03
(2013) 010602128	79,326.86
(2016) 118	67,798.75
(2005) TD2006-020	100,764.36
(2008) 010602123	115,600.77
(2008) 010602109	61,897.28
(2008) 010602126	37,608.99
(2008) 010602125	93,887.01
(2008) 010602122	66,284.49
(2008) 010602124	<u>110,667.70</u>
<b>Total:</b>	<b><u><u>874,947.33</u></u></b>

- (2) According to Grant Contract of State-owned Land Use Rights entered into between 武漢市東西湖區土地資源管理局 (Wuhan Dongxihu District Land Resources Administrative Bureau)(the Grantor) and 沿海綠色家園發展(武漢)有限公司 (Coastal Greenland Development (Wuhan) Ltd) (Grantee), the Grantor has agreed to grant the land use rights of the property to the Grantee with the details as follows:-

(i)	Location	:	No.2 vegetable company, Sandian Farm, Dongxihu District
(ii)	Site area	:	373,251.00 sq m
(iii)	Uses	:	Residential
(iv)	Land premium	:	RMB52,179,283

According to Grant Contract of State-owned Land Use Rights entered into between 武漢市東西湖區土地資源管理局 (Wuhan Dongxihu District Land Resources Administrative Bureau)(the Grantor) and 沿海綠色家園發展(武漢)有限公司 (Coastal Greenland Development (Wuhan) Ltd) (Grantee), the Grantor has agreed to grant the land use rights of the property to the Grantee with the details as follows:-

(i)	Location	:	No.2 vegetable company, Sandian Farm, Dongxihu District
(ii)	Site area	:	381,033.00 sq m
(iii)	Uses	:	Residential
(iv)	Land premium	:	RMB54,345,476

According to Grant Contract of State-owned Land Use Rights No.WDP=2001=047 entered into between 武漢市東西湖區土地資源管理局 (Wuhan Dongxihu District Land Resources Administrative Bureau)(the Grantor) and 沿海綠色家園發展(武漢)有限公司 (Coastal Greenland Development (Wuhan) Ltd) (Grantee), the Grantor has agreed to grant the land use rights of the property to the Grantee with the details as follows:-

- (i) Location : West of Zhangbai Road and north of Jianshan Avenue, Huangshihai, Dongxihu District
- (ii) Site area : 158,206.26 sq m
- (iii) Uses : Residential
- (iv) Land premium : RMB18,984,751

- (3) According to 11 Planning Permits for Construction Use of Land issued by Wuhan Dongxihu District Urban Planning Administrative Bureau on 3 April 2006, the property is permitted to be developed with details as follows:-

Certificate no.	Total site area (sq m)	Net site area (sq m)
(2006) 6	77,490.06	67,798.75
(2006) 7	81,491.99	79,326.85
(2006) 8	109,939.69	100,764.36
(2006) 9	115,600.77	115,600.77
(2006) 10	112,941.38	110,667.70
(2006) 11	65,452.09	65,452.09
(2006) 12	65,995.45	61,897.28
(2006) 13	37,608.99	37,608.99
(2006) 14	95,936.90	93,887.01
(2006) 15	71,479.13	66,284.49
(2006) 16	78,552.88	75,659.03
<b>Total:</b>	<b>912,489.33</b>	<b>874,947.32</b>

- (4) According to 15 Planning Permits for Construction Works issued by Wuhan Dongxihu District Urban Planning Administrative Bureau, the subject development is permitted to be developed with a scale of 1,717,643.70 sq m.
- (5) According to 25 Permits for Commencement of Construction Works issued by Wuhan Dongxihu District Construction Bureau, the subject development is permitted to be constructed with a scale of 1,529,360.16 sq m.
- (6) According to Business Licence No. 91420100MA4KM8Q50J dated 29 March 2016, 沿海綠色家園發展(武漢)有限公司 (Coastal Greenland Development (Wuhan) Ltd) was established on 27 March 1993 as a limited company with a registered capital of RMB250,000,000 for an operation period from 27 March 1993 to 27 March 2023.
- (7) We have been provided with a legal opinion issued by the Company's PRC legal advisor, which contains, *inter alia*, the following information:
- (i) The State-owned Land Use Rights Certificates of the property are legal;
  - (ii) 沿海綠色家園發展(武漢)有限公司 (Coastal Greenland Development (Wuhan) Ltd) is the legal land user of the property; and
  - (iii) 沿海綠色家園發展(武漢)有限公司 (Coastal Greenland Development (Wuhan) Ltd) has the right to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the mortgagee's consent has been obtained in advance to discharge the mortgage and subject to obtaining relevant certificates of acceptance and completion and permits for pre-sale.
- (8) The status of title and grant of major approvals and licences in accordance with the information provided by the Group are as follows:-

State-owned Land Use Rights Certificates	Yes
Grant Contracts of State-owned Land Use Rights	Yes
Planning Permits for Construction Use of Land	Yes
Planning Permits for Construction Works	Yes
Permits for Commencement of Construction Works	Yes
Construction Works Completion Examination Certificates	Yes
Business Licence	Yes

- (9) In our valuation, we have adopted a range of average unit price of RMB9,000 and RMB12,000 per sq.m for residential portion and a range of average unit price of RMB16,000 per sq.m for retail portion and of approximately RMB70,000 per car parking space.
- (10) In the course of our valuation, we have made references to various recent sales transactions and asking prices of some similar developments which have characteristics comparable to the property. We have selected and referenced the sales transactions we considered comparable in terms of the time, nature, location, size, floor and quality etc. The prices of those sales transactions are in a range between RMB10,000 and RMB20,000 per sq.m. for residential portion, in a range between RMB20,000 and RMB23,000 per sq.m. for retail portion (Level 1) and between RMB80,000 and RMB90,000 per car parking space. The unit prices assumed by us are consistent with the said sales transactions and asking price references. Due to adjustments to the unit prices of those sales transactions and asking price, references have been made to reflect factors including but not limited to time, location, size, floor, difference and quality in arriving at the key assumptions.

## VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2018
<p>2. Unsold portion of The One of Lakeside Park, Huanzihu Village, Tangjiadun Street, Jiangnan District, Wuhan, Hubei Province, the PRC</p> <p>中國湖北省武漢市 江漢區唐家墩街 鯢子湖村菱角湖壹號 未售部分</p>	<p>The One of Lakeside Park is a commercial and residential development developed on a parcel of land with a total site area of approximately 31,696.05 sq m.</p> <p>The property comprises unsold portion of The One of Lakeside Park with a total gross floor area of approximately 56,542.79 sq m.</p> <p>The immediate locality of the property is an urban area in Wuhan where are predominated by residential developments with commercial and communal facilities.</p> <p>The land use right of the property has been granted for terms of 40 years and 70 years due to expire on 25 January 2051 and 25 January 2081 for commercial and residential uses respectively.</p>	<p>As at the valuation date, the property was vacant.</p>	<p>RMB829,000,000</p> <p>(RENMINBI EIGHT HUNDRED AND TWENTY-NINE MILLION)</p> <p>(30% interest attributable to the Group: RMB248,700,000)</p> <p>(RENMINBI TWO HUNDRED AND FORTY-EIGHT MILLION SEVEN HUNDRED THOUSAND)</p>

## Notes:-

- (1) According to State-owned Land Use Rights Certificate No. (2011) 63 issued by People's Government of Wuhan on 28 February 2011, the land use rights of the property, comprising a total site area of 31,696.05 sq m have been vested in 武漢致盛集團有限公司 (Wuhan Zhisheng Group Ltd) for a term due to expire on 25 January 2051 and 25 January 2081 for commercial and residential uses respectively.
- (2) According to Construction Works Completion Examination Certificates dated 10 February 2017 and 28 May 2017, the construction works of the property with a total gross floor area of 70,750.00 sq m have been examined and such examination has been recorded.

As advised by the Group, the property comprises a portion of the gross floor area as stated in the Construction Works Completion Examination Certificates mentioned above.

- (3) According to Business Licence No.91420100616575451D dated 12 October 2015, 武漢致盛集團有限公司 (Wuhan Zhisheng Group Ltd) was established on 14 December 1995 as a limited company with a registered capital of RMB150,000,000 for an operation period from 27 April 2013 to 26 April 2033.
- (4) We have been provided with a legal opinion issued by the Company's PRC legal advisor, which contains, *inter alia*, the following information:
- (i) The State-owned Land Use Rights Certificates of the property are legal;
  - (ii) 武漢致盛集團有限公司 (Wuhan Zhisheng Group Ltd) is the legal land user of the property; and
  - (iii) 武漢致盛集團有限公司 (Wuhan Zhisheng Group Ltd) has the right to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the mortgagee's consent has been obtained in advance to discharge the mortgage and subject to obtaining relevant certificates of acceptance and completion and permits for pre-sale.

- (5) The status of title and grant of major approvals and licences in accordance with the information provided by the Group are as follows:-

State-owned Land Use Rights Certificate	Yes
Construction Works Completion Examination Certificates	Yes
Business Licence	Yes

- (6) In our valuation, we have adopted a range of average unit price of RMB23,000 and RMB24,000 per sq.m for residential portion and an average unit price of RMB18,000 per sq.m for retail portion and of approximately RMB150,000 per car parking space.
- (7) In the course of our valuation, we have made references to various recent sales transactions and asking prices of some similar developments which have characteristics comparable to the property. We have selected and referenced the sales transactions we considered comparable in terms of the time, nature, location, size, floor and quality etc. The prices of those sales transactions are in a range between RMB25,000 and RMB32,000 per sq.m. for residential portion, in a range between RMB35,000 and RMB36,000 per sq.m. for retail portion (Level 1) and between RMB150,000 and RMB180,000 per car parking space. The unit prices assumed by us are consistent with the said sales transactions and asking price references. Due to adjustments to the unit prices of those sales transactions and asking price, references have been made to reflect factors including but not limited to time, location, size, floor, difference and quality in arriving at the key assumptions.



## VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2018
<p>3. Unsold portion of Shenyang Coastal International Center, 8 Tiantan South Street, Hunnan New District, Shenyang, Liaoning Province, the PRC</p> <p>中國遼寧省瀋陽市 渾南新區天壇南街8號 瀋陽沿海國際中心項目 未售部分</p>	<p>Completed in 2017, Shenyang Coastal International Center is a commercial development developed on a parcel of land with a total site area of approximately 31,756.70 sq m.</p> <p>The property comprises the unsold portion Shenyang Coastal International Center and has a total gross floor area of approximately 72,581.00 sq m.</p> <p>The immediate locality of the property is an urban area in Shenyang where are predominated by residential and commercial developments with communal facilities.</p> <p>The property is held with land use rights for a term due to expire on 10 April 2046 for commercial use.</p>	<p>As at the valuation date, the property was under construction.</p>	<p>RMB548,000,000  (RENMINBI FIVE HUNDRED AND FORTY EIGHT MILLION)  (100% interest attributable to the Group: RMB548,000,000)</p>

*Notes:-*

- (1) According to State-owned Land Use Rights Certificate No. (2007) 078 issued by 瀋陽市人民政府 (Shenyang People's Government) on 29 August 2007, the land use rights of the property, comprising a total site area of approximately 31,756.70 sq m, have been vested in 瀋陽沿海榮天置業有限公司 (Shenyang Coastal Rongtian Real Estate Co., Ltd.) for a term due to expire on 10 April 2046 for commercial use.
- (2) According to Planning Permit for Construction Use of Land No. (2008) 031 issued by 瀋陽市規劃和國土資源局 (Shenyang Planning and Land Resource Bureau) on 24 April 2008, the construction site of the property with a site area of approximately 31,756.70 sq m is in compliance with the requirements of urban planning and has been approved.
- (3) According to Planning Permit for Construction Works issued by 瀋陽市規劃和國土資源局 (Shenyang Planning and Land Resource Bureau) on 31 January 2013 and 26 June 2013, the construction works of the subject development with gross floor area of approximately 217,491 sq m are in compliance with the construction work requirements and have been approved.
- (4) According to Permit for Commencement of Construction Works issued by 瀋陽市東陵區渾南新區城鄉建設局 (Shenyang Dongling District Hunnan New District Urban and Rural Construction Bureau) on 17 May 2013 and 18 September 2013, the construction works of the subject development is in compliance with the requirements for works commencement and have been permitted at a construction scale of 217,491 sq m.
- (5) According to 3 Construction Works Completion Examination Record Forms, the construction works of the subject development with a total ground gross floor area of 217,491 sq m have been examined and such examination has been recorded.

As advised by the Group, the property comprises a portion of the gross floor area as stated in the Construction Works Completion Examination Record Forms mentioned above.

- (6) According to Business Licence dated 26 July 2016, 瀋陽沿海榮天置業有限公司 (Shenyang Coastal Rongtian Real Estate Co., Ltd.) has been established as a limited company with a registered capital of USD18,000,000 and a valid operation period from 5 June 2007 to 4 June 2022.
- (7) We have been provided with a legal opinion issued by the Company's PRC legal advisor, which contains, *inter alia*, the following information:
  - (i) The State-owned Land Use Rights Certificates of the property are legal;
  - (ii) 瀋陽沿海榮天置業有限公司 (Shenyang Coastal Rongtian Real Estate Co., Ltd.) is the legal land user of the property; and
  - (iii) 瀋陽沿海榮天置業有限公司 (Shenyang Coastal Rongtian Real Estate Co., Ltd.) has the right to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the mortgagee's consent has been obtained in advance to discharge the mortgage and subject to obtaining relevant certificates of acceptance and completion and permits for pre-sale.

- (8) The status of title and grant of major approvals and licences in accordance with the information provided by the Group are as follows:-

State-owned Land Use Rights Certificate	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
Construction Works Completion Examination Record Forms	Yes
Business Licence	Yes

- (9) In our valuation, we have adopted an average unit price of RMB9,000 per sq.m for residential portion and an average unit price of RMB15,500 per sq.m for retail portion and of approximately RMB120,000 per car parking space.

- (10) In the course of our valuation, we have made references to various recent sales transactions and asking prices of some similar developments which have characteristics comparable to the property. We have selected and referenced the sales transactions we considered comparable in terms of the time, nature, location, size, floor and quality etc. The prices of those sales transactions are in a range between RMB8,700 and RMB9,200 per sq.m. for residential portion, in a range between RMB15,000 and RMB20,000 per sq.m. for retail portion (Level 1) and between RMB120,000 and RMB130,000 per car parking space. The unit prices assumed by us are consistent with the said sales transactions and asking price references. Due to adjustments to the unit prices of those sales transactions and asking price, references have been made to reflect factors including but not limited to time, location, size, floor, difference and quality in arriving at the key assumptions.

## VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2018
<p>4. Unsold portion of Foshan Coastal Garden, 16 Kangko Road, Chancheng District, Foshan, Guangdong Province, the PRC</p> <p>中國廣東省佛山市禪城區港口路16號佛山沿海馨庭未售部分</p>	<p>The Foshan Coastal Garden is a residential and commercial development developed on a parcel of land with a total site area of approximately 55,378.00 sq m.</p> <p>The property comprises unsold portion of The Foshan Coastal Garden with a total gross floor area of approximately 21,332.10 sq m.</p> <p>The immediate locality of the property is an urban area in Foshan where are predominated by residential developments with commercial and communal facilities.</p> <p>The land use right of the property has been granted for terms of 40 years and 70 years due to expire on 1 September 2051 and 1 September 2081 for commercial and residential uses respectively.</p>	<p>As at the valuation date, the property was vacant.</p>	<p>RMB212,000,000</p> <p>(RENMINBI TWO HUNDRED AND TWELVE MILLION)</p> <p>(20% interest attributable to the Group: RMB42,400,000)</p> <p>(RENMINBI FORTY-TWO MILLION, FOUR HUNDRED THOUSAND)</p>

*Notes:-*

- (1) According to State-owned Land Use Rights Certificate No. (2011) 1007969 issued by People's Government of Foshan on 25 August 2011, the land use rights of the property, comprising a total site area of 55,378.00 sq m have been vested in 佛山和諧家園房地產有限公司 (Foshan Harmonious Realty Development Co., Ltd) for a term due to expire on 1 September 2051 and 1 September 2081 for commercial and residential uses respectively
- (2) According to Planning Permit for Construction Use of Land issued by 佛山市禪城區發展規劃和統計局 (Urban Development Planning Bureau of Chancheng District, Foshan) dated 4 August 2011, the construction site of a parcel of land with a site area of 55,378.2 sq m is in compliance with the urban planning requirements.
- (3) According to 3 Construction Works Completion Examination Certificates No. 2014-0608, 2014-0303 and 2014-1214 dated from 17 March 2014 to 17 December 2014, the construction works of the development with a total gross floor area of 306,966.21 sq m have been examined and such examination has been recorded.

As advised by the Group, the property comprises a portion of the gross floor area as stated in the Construction Works Completion Examination Certificates mentioned above.

- (4) According to Business Licence dated 13 April 2018, 佛山和諧家園房地產有限公司 (Foshan Harmonious Realty Development Co., Ltd) was established on 6 July 2011 as a limited company with a registered capital of RMB100,000,000 for an operation period from 6 July 2011 to 9 February 2032.
- (5) We have been provided with a legal opinion issued by the Company's PRC legal advisor, which contains, *inter alia*, the following information:
  - (i) The State-owned Land Use Rights Certificates of the property are legal;
  - (ii) 佛山和諧家園房地產有限公司 (Foshan Harmonious Realty Development Co., Ltd) is the legal land user of the property; and
  - (iii) 佛山和諧家園房地產有限公司 (Foshan Harmonious Realty Development Co., Ltd) has the right to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the mortgagee's consent has been obtained in advance to discharge the mortgage and subject to obtaining relevant certificates of acceptance and completion and permits for pre-sale.

- (6) The status of title and grant of major approvals and licences in accordance with the information provided by the Group are as follows:-

State-owned Land Use Rights Certificate	Yes
Planning Permit for Construction Use of Land	Yes
Construction Works Completion Examination Certificates	Yes
Business Licence	Yes

- (7) In our valuation, we have adopted an average unit price of RMB15,000 per sq.m for retail portion and of approximately RMB250,000 per car parking space.
- (8) In the course of our valuation, we have made references to various recent sales transactions and asking prices of some similar developments which have characteristics comparable to the property. We have selected and referenced the sales transactions we considered comparable in terms of the time, nature, location, size, floor and quality etc. The prices of those sales transactions are in a range between RMB27,000 and RMB35,000 per sq.m. for retail portion (Level 1) and between RMB180,000 and RMB200,000 per car parking space. The unit prices assumed by us are consistent with the said sales transactions and asking price references. Due to adjustments to the unit prices of those sales transactions and asking price, references have been made to reflect factors including but not limited to time, location, size, floor, difference and quality in arriving at the key assumptions.

## VALUATION REPORT

## Group II – Property held by the Group under development in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2018
<p>5. The under construction development known as Shenyang Coastal International Center, 8 Tiantan South Street, Hunnan New District, Shenyang, Liaoning Province, the PRC</p> <p>中國遼寧省瀋陽市 渾南新區天壇南街8號 瀋陽沿海國際中心項目 在建工程</p>	<p>Upon completion, Shenyang Coastal International Center is a commercial development developed on a parcel of land with a total site area of approximately 31,756.70 sq m.</p> <p>The property comprises the under construction development known as Shenyang Coastal International Center and has a total planned gross floor area of approximately 60,478.99 sq m with details as follows:</p> <p>As advised by the Group, the proposed development is planned to be completed in 2018.</p> <p>The immediate locality of the property is an urban area in Shenyang where are predominated by residential and commercial developments with communal facilities.</p> <p>The property is held with land use rights for a term due to expire on 10 April 2046 for commercial use.</p>	<p>As at the valuation date, the property was under construction.</p>	<p>RMB502,000,000</p> <p>(RENMINBI FIVE HUNDRED AND TWO MILLION)</p> <p>(100% interest attributable to the Group: RMB502,000,000)</p>

*Notes:-*

- (1) According to State-owned Land Use Rights Certificate No. (2007) 078 issued by 瀋陽市人民政府 (Shenyang People's Government) on 29 August 2007, the land use rights of the property, comprising a total site area of approximately 31,756.70 sq m, have been vested in 瀋陽沿海榮天置業有限公司 (Shenyang Coastal Rongtian Real Estate Co., Ltd.) for a term due to expire on 10 April 2046 for commercial use.
- (2) According to Planning Permit for Construction Use of Land No. (2008) 031 issued by 瀋陽市規劃和國土資源局 (Shenyang Planning and Land Resource Bureau) on 24 April 2008, the construction site of the property with a site area of approximately 31,756.70 sq m is in compliance with the requirements of urban planning and has been approved.
- (3) According to Planning Permit for Construction Works No. 210112201300009 issued by 瀋陽市規劃和國土資源局 (Shenyang Planning and Land Resource Bureau) on 31 January 2013, the construction works of the property with gross floor area of approximately 145,556.11 sq m are in compliance with the construction work requirements and have been approved.
- (4) According to Permit for Commencement of Construction Works No. 210130201305170401 issued by 瀋陽市東陵區渾南新區城鄉建設局 (Shenyang Dongling District Hunnan New District Urban and Rural Construction Bureau) on 17 May 2013, the construction works of the property is in compliance with the requirements for works commencement and have been permitted at a construction scale of 145,556.11 sq m.
- (5) As advised by the Group, the total expended construction cost for the property as at the valuation date was RMB282,154,019 whilst the outstanding construction cost for completion of the property as at the valuation date was RMB14,357,871. We have taken into account such amounts in our valuation.
- (6) The market value of the property when completed is estimated approximately at RMB575,000,000.
- (7) According to Business Licence No 210100402000312(1-1) dated 26 July 2016, 瀋陽沿海榮天置業有限公司 (Shenyang Coastal Rongtian Real Estate Co., Ltd.) has been established as a limited company with a registered capital of USD18,000,000 and a valid operation period from 5 June 2007 to 4 June 2022.
- (8) We have been provided with a legal opinion issued by the Company's PRC legal advisor, which contains, *inter alia*, the following information:
  - (i) The State-owned Land Use Rights Certificates of the property are legal;
  - (ii) 瀋陽沿海榮天置業有限公司 (Shenyang Coastal Rongtian Real Estate Co., Ltd.) is the legal land user of the property; and
  - (iii) 瀋陽沿海榮天置業有限公司 (Shenyang Coastal Rongtian Real Estate Co., Ltd.) has the right to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the mortgagee's consent has been obtained in advance to discharge the mortgage and subject to obtaining relevant certificates of acceptance and completion and permits for pre-sale.



- (9) The status of title and grant of major approvals and licences in accordance with the information provided by the Group are as follows:-

State-owned Land Use Rights Certificate	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
Business Licence	Yes

- (10) In our valuation, we have adopted an average unit price of RMB9,500 per sq.m for hotel portion.
- (11) In the course of our valuation, we have made references to various recent sales transactions and asking prices of some similar developments which have characteristics comparable to the property. We have selected and referenced the sales transactions we considered comparable in terms of the time, nature, location, size, floor and quality etc. The prices of those sales transactions are in a range between RMB13,000 and RMB13,600 per sq.m. for office. The unit prices assumed by us are consistent with the said sales transactions and asking price references. Due to adjustments to the unit prices of those sales transactions and asking price, references have been made to reflect factors including but not limited to time, location, size, floor, difference and quality in arriving at the key assumptions.

## VALUATION REPORT

## Group V – Properties held by the Group for future development in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2018
6. Development site situated at Beishanwei Road, Chenxiangtun Town Sujiatun District, Shenyang, Liaoning Province, the PRC 中國遼寧省瀋陽市蘇家屯區陳相屯鎮北山委路蘇家屯項目待建土地	<p>The property comprises a parcel of land with a total site area of approximately 1,272,050.00 sq m.</p> <p>As advised by the Group, a residential/commercial is proposed to be developed on the property with a proposed plot ratio of 1.</p> <p>The immediate locality of the property is a sub-urban area in Shenyang where are predominated by residential and commercial developments with communal facilities.</p> <p>The property is held with land use rights for a term due to expire on 23 September 2052 for composite and petrol filling station uses.</p>	As at the valuation date, the property was bare land.	<p>RMB1,435,000,000</p> <p>(RENMINBI ONE BILLION FOUR HUNDRED AND THIRTY-FIVE MILLION)</p> <p>(100% interest attributable to the Group: RMB1,435,000,000)</p>

## Notes:-

- (1) According to two State-owned Land Use Rights Certificates issued by 瀋陽市蘇家屯區人民政府 (People's Government of Shenyang Sujiatun District), the land use rights of the property have been vested in 瀋陽中廣北方影視城有限公司 (Shenyang Zhong Guang Bei Fang Ying Shi Cheng Co. Ltd.) for a term of 50 years due to expire on 23 September 2052 for composite and petrol filling station uses with details as follows:-

Certificate No.	Location	Site Area (sq m)	Expiry Date of	
			Land Use Term	Land Use
(2000) 0000220	Beishanwei Road, Chenxiangtun Town, Sujiatun District	1,254,415.00	23 September 2052	Composite
0221	Beishanwei Road, Chenxiangtun Town, Sujiatun District	17,635.00	23 September 2052	Petrol filling station
<b>Total:</b>		<b><u>1,272,050.00</u></b>		

- (2) According to Grant Contract of State-owned Land Use Rights No.(2002)16 entered into between 瀋陽市蘇家屯區規劃土地管理局 (Shenyang Sujiatun District Planning and Land Resources Bureau) and 瀋陽中廣北方影視城有限公司 (Shenyang Zhong Guang Bei Fang Ying Shi Cheng Co. Ltd.) in 2002 with the details as follows:-

Certificate No.	Location	Site Area (sq m)	Land		
			Premium (RMB)	Land Use Term	Land Use
(2002)16	Beishanwei Road, Chenxiangtun Town, Sujiatun District	1,473,030.70	30,491,735.50	50 years	Composite

- (3) According to Business Licence No. 91210111738688040T dated 22 November 2017, 瀋陽中廣北方影視城有限公司 (Shenyang Zhong Guang Bei Fang Ying Shi Cheng Co. Ltd.) was established on 8 August 2002 as a limited company with a registered capital of RMB200,000,000 for an operation period from 8 August 2002 to 8 August 2022.

(4) We have been provided with a legal opinion issued by the Company's PRC legal advisor, which contains, *inter alia*, the following information:

- (i) The State-owned Land Use Rights Certificates of the property are legal;
- (ii) 瀋陽中廣北方影視城有限公司 (Shenyang Zhong Guang Bei Fang Ying Shi Cheng Co. Ltd.) is the legal land user of the property; and
- (iii) 瀋陽中廣北方影視城有限公司 (Shenyang Zhong Guang Bei Fang Ying Shi Cheng Co. Ltd.) has the right to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the mortgagee's consent has been obtained in advance to discharge the mortgage and subject to obtaining relevant certificates of acceptance and completion and permits for pre-sale.

(5) The status of the title and grant of major approvals and licences in accordance with the information provided by the Company are as follows:-

State-owned Land Use Rights Certificates	Yes
Grant Contract of State-owned Land Use Rights	Yes
Business Licence	Yes

(6) In our valuation, we have adopted an average unit price on site area of RMB1,128 per sq.m for the land.

(7) In the course of our valuation, we have made references to various recent sales transactions and asking prices of some similar developments which have characteristics comparable to the property. We have selected and referenced the sales transactions we considered comparable in terms of the time, nature, location, size, floor and quality etc. The prices on site area of those sales transactions are in a range of RMB1,200 per sq.m. for land. The unit prices assumed by us are consistent with the said sales transactions and asking price references. Due to adjustments to the unit prices of those sales transactions and asking price, references have been made to reflect factors including but not limited to time, location, size, floor, difference and quality in arriving at the key assumptions.

## VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2018
<p>7. Various development sites situated to the north of Jinyong Road, to the south of Tengtai Road, to the east of Tiexi Road and to the west of Jingbao Industrial Park, Beicang Town, Beichen District, Tianjin, the PRC</p> <p>中國天津市北辰區北倉鎮北至津永路，南至藤泰道，東至鐵西路，西至京保工業園一些可發展地塊</p>	<p>The project comprises various parcels of land with a total site area of approximately 2.9 million sq.m. on which 7 villages are erected.</p> <p>The immediate locality of the property is a sub-urban area in Tianjin where is currently village environment. The locality of the property is close to the terminus station of Metro Line No. 1 in Tianjin.</p> <p>As advised by the Group, the households of the villages will be resettled and the existing old structures on the land will be demolished. This land will be provided with infrastructure and will be developed as various parcels of land for residential and commercial uses with a total site area of approximately 1.58 million sq.m..</p> <p>These developable land parcels will be put in the market for sale by the local government in the period scheduled between 2018 and 2020.</p>	<p>As at the valuation date, the property was land with village structures pending the process of resettlement and demolition for future development.</p>	<p>No commercial value</p>

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2018
	<p>As advised by the Group, a planned total construction gross floor area of approximately 4.3 million sq.m. will be developed on the project.</p>		
	<p>The resettlement construction area, the saleable construction area and the non-saleable ancillary facilities area comprises approximately 1.1 million sq.m., 3.1 million sq.m. and 0.1 million sq.m. respectively.</p>		
	<p>As advised by the Group, the property under valuation comprises various parcels of land with a total site area of approximately 1.58 million sq.m. and the saleable construction area of 3.1 million sq.m. for residential and commercial uses.</p>		

*Notes:-*

- (1) According to 天津市北辰區北倉示範小城鎮項目投資建設合作協議 (the Tianjin Beichen District Beicang Town Model Small Town Investments and Construction Cooperation Agreement) and its supplemental agreement entered into between Beicang Town Government and 天津和諧家園房地產開發有限公司 (Tianjin Harmonious Realty Development Co., Ltd.) (the “Target Company”) on 20 October 2010 and 11 May 2011, Beicang Town Government authorizes the Target Company as the major responsible party for the investment, financing and construction in Becang Town of a small town model project. Beicang Town Government has the ownership title and land use rights of the land parcels and properties developed in the project while the Target Company is given the right to carry out construction and preparation works on such land in accordance with the agreement.
- (2) As advised by the Group, the estimated total cost of resettlement, demolition of existing structures and provision of infrastructure is approximately RMB10,700,000,000 and the expended cost as at valuation date was RMB4,169,000,000.
- (3) As advised by the Group, the property under valuation comprises various parcels of land with a total site area of approximately 1.58 million sq.m. and the saleable construction area of 3.1 million sq.m. for residential and commercial uses.

We have ascribed no commercial value to the property under valuation as valid State-owned Land Use Rights Certificates have not been obtained by the Group. For illustrative purpose, had the Group obtained valid State-owned Land Use Rights Certificates for the property and the development of the property under valuation had been completed to the state that such property was available for sale in the market, the market value of the property under valuation in the state available for sale in the market as at 31 July 2016 would be RMB27,525,000,000.

- (4) According to Business Licence No. BC1500880 dated 2 November 2015, the Target Company was established on 3 December 2009 with a registered capital of RMB1,250,000,000 for an operation period from 3 December 2009 to 2 December 2029.
- (5) The status of title and grant of major approvals and licences in accordance with the information provided by the Group are as follows:-

The Tianjin Beichen District Beicang Town Model Small Town Investments and Construction Cooperation Agreement and its supplemental agreement	Yes
Business Licence	Yes

## VALUATION REPORT

## Group IV – Properties held by the Group for investment and future development in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2018
8. Development site on the north side of No.1A Jianguomenwai Avenue, Chaoyang District, Beijing, the PRC  中國北京市朝陽區建國門外大街甲1號北側待建土地	The property comprises a parcel of land with a total site area of approximately 5,683.50 sq m.  As advised by the Group, a proposed office building is planned to be developed on the property with a total gross floor area of approximately 45,000.00 sq m.  The breakdown of the planned gross floor area is summarized as follows:-	As at the valuation date, the property was bare land.	No commercial value

Use	Approximate Gross Floor Area (sq m)
Commercial	31,000.00
Office	2,600.00
Underground	11,400.00
Carpark	—
<b>Total</b>	<b><u>45,000.00</u></b>

The immediate locality of the property is an urban area in Beijing where are predominated by residential and commercial developments with communal facilities.

The property is held with land use rights as “Allocated Land” for office use.



*Notes:-*

- (1) In the course of our valuation, we have ascribed no commercial value to the property as the land status is “Allocated Land”. However, had the Group obtained a valid State-owned Land Use Rights Certificate, all land premium and related fees for the grant of the certificate been fully settled, the market value of the property as at the valuation date would be RMB557,000,000 (65% interest attributable to the Group: RMB362,050,000).

We noted that the planned total gross floor area, 45,000.00 sq m, will exceed the total gross floor area of approximately 28,000.00 sq m stated in the Opinion Letter on Planning issued by 北京市規劃委員會 (Beijing Planning Committee) dated 26 December 2006. As per the Company’s instruction, our valuation is based on planned gross floor area of approximately 45,000.00 sq m. In the course of our valuation, we have assumed that any land premium and related fees incurred have been fully paid and settled.

- (2) According to Co-operation Agreement and its Supplement entered into between 北京實業開發總公司 (Beijing Industry Development Corporation) (“Party A”) and 沿海地產投資(中國)有限公司 (Coastal Realty Investment (China) Limited) (“Party B”) dated 6 December 2007, Party B agreed to co-operate with Party A for the development of the property with an investment of RMB340 million. Party B will obtain the interests and rights of the area of approximately 65% of the property for a term of 35 years.
- (3) According to Planning Permit for Construction Use of Land No. (2007) 0008 issued by 北京市規劃委員會 (Beijing Planning Committee) dated 23 January 2007, 北京實業開發總公司 (Beijing Industry Development Corporation) is permitted develop a site located on the north side of No.A1 Jianguomenwai Avenue, Chaoyang District with a total site area of 5,683.50 sq m.
- (4) According to Planning Opinion issued by 北京市規劃委員會 (Beijing Planning Committee) dated 26 December 2006, a proposed development is planned to be developed on the property with a gross floor area of approximately 28,000.00 sq m for office, car park and facility uses.
- (5) According to Business Licence No. 30000000201607270199 dated 27 July 2016, 上海沿商投資管理有限公司 (Shanghai Yanshang Investment Management Co., Ltd.) was established on 24 December 2007 as a limited company with a registered capital of RMB10,000,000 for an operation period from 24 December 2007 to 23 December 2017.
- (6) The status of title and grant of major approvals and licences in accordance with the information provided by the Group are as follows:-

State-owned Land Use Rights Certificate	No
Opinion Letter on Planning	Yes
Planning Permit for Construction Use of Land	Yes
Business Licence	Yes

## 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*

Name of Director	Note	Number of Shares held or underlying shares, capacity and nature of interest		Interest in controlled corporation	Percentage of the Company's issued share capital
		Beneficial owner			
Mr. Jiang Ming	(a)	-	1,531,261,978 (L)		36.58%
Mr. Tao Lin		27,000,000 (L)		-	0.65%
Mr. Xia Xianglong		20,492,000 (L)		-	0.49%
Dr. Li Ting		16,500,000 (L)		-	0.39%
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 issued voting share capital is held as to 37.58% by Mr. Jiang Ming, 5.38% by Mr. Tao Lin and 21.42% by Great Scope Investments Limited (the entire issued voting share capital of which is held by Mr. Jiang Ming). These 1,531,261,978 shares represent an aggregate of approximately 36.58% of the issued share capital of the Company. Mr. Jiang Ming and Mr. Tao Lin are directors of CIH.

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

Name of director	Beneficial owner	Number of Shares held, capacity and nature of interest		Percentage of the associated corporation’s issued share capital
			Interest in controlled corporation	
Mr. Jiang Ming	3,758 (L)		2,142 (L)	59% of CIH
Mr. Tao Lin	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 Issuers 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 2017 (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 guarantee agreement dated 15 April 2016 entered into between the Company, Coastal Realty Investment (China) Limited, a wholly owned subsidiary of the Company, and Heyi Asset Management Company Limited to facilitate the granting of a loan facility by Heyi Asset Management Company Limited to Chongqing Yanke Enterprises Co., Ltd., an associate owned as to 35% by the Company;

- (ii) the disposal agreement dated 3 August 2016 entered into among Coastal Greenland Development (Wuhan) Ltd., Shanghai Coastal Greenland Real Estate Ltd., which are both wholly owned subsidiaries of the Company and Tianjin Vanke Real Estate Company Limited, an Independent Third Party in relation to the transfer of an aggregate of 70% equity interests in Tianjin Harmonious Realty Development Co., Limited for a consideration of RMB875 million (equivalent to approximately HK\$1,029.4 million);
- (iii) the disposal agreement dated 16 December 2016 entered into among Coastal Greenland Development (Wuhan) Ltd, Kunshan Fuzhi Dingxin Equity Investment Enterprise, Shanghai Fengzhou Property Co. Ltd, the Company and Yuzhou Properties Company Limited in relation to disposal of the entire equity interest in Kunshan Fuzhi Dingxin Equity Investment Enterprise at a total consideration of RMB3,589.1 million (equivalent to approximately HK\$4,005.7 million);
- (iv) the disposal agreement dated 22 June 2017 entered into among Skyfame Realty (Holdings) Limited, Coastal Realty Investment (China) Limited, Guangzhou Kunchuang Real Estate Company Limited and Coastal Greenland Development (Wuhan) Ltd in relation to disposal of 80% of the registered capital of Guangzhou Haicong Real Estate Company Limited at a total consideration of RMB80 million (equivalent to approximately HK\$91.8 million);
- (v) the disposal agreement dated 14 December 2017 entered into among Shenzhen Coastal Property Investment Limited, being a wholly-owned subsidiary of the Company, and Shum Yip Southern Land (Holdings) Co., Ltd in relation to the disposal of 30% of the registered capital of Huizhou Shum Yip Southern Land Company Limited at a total consideration of RMB15 million (equivalent to approximately HK\$16.9 million); and
- (vi) the Disposal Agreement.

## 7. EXPERTS AND CONSENTS

The following is the qualification of the experts or professional advisers who have given opinions or advices contained in this circular:

<b>Name</b>	<b>Qualification</b>
Deloitte Touche Tohmatsu	Certified Public Accountants
Cushman & Wakefield Limited	Independent Professional Valuer

As at the Latest Practicable Date, both Deloitte Touche Tohmatsu and Cushman & Wakefield Limited have given and have not withdrawn their written consents to the issue of this circular with the inclusion of their letters and references to their names in the form and context in which they respectively appear.

As at the Latest Practicable Date, both Deloitte Touche Tohmatsu and Cushman & Wakefield Limited 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, both Deloitte Touche Tohmatsu and Cushman & Wakefield Limited were 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 2017, 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 HM11, 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 assurance 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 letters of consent referred to under the paragraph headed "Experts and Consents" in this appendix;
- (f) the annual reports of the Company for the years ended 31 March 2016 and 31 March 2017, 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 was issued on 31 March 2017 including a very substantial disposal in relation to a project company holding land use rights of land parcels located in Chaojiang Village, Hanyang District, Wuhan, the PRC. Quick link to the Company's circulars dated 31 March 2017 is set out as below:
  - (i) Very substantial disposal  
  
<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0331/LTN20170331197.PDF>
- (i) the property valuation report of the Target Group, the text of which is set out in Appendix IV to this circular; and
- (j) this circular.

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NOTICE OF SGM

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

**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 Thursday, 17 May 2018 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 13 January 2018 (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 between the Company (the “**Vendor**”) as the vendor, and Affluent Ocean International Limited (the “**Purchaser**”) as the purchaser in relation to, among others, the disposal of the entire equity interests in Century East Group Limited for a total consideration of RMB3.8 billion (equivalent to approximately HK\$4.58 billion) and the transaction 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, 30 April 2018

\* for identification purposes only



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## NOTICE OF SGM

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*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM11  
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 later than Tuesday, 15 May 2018 at 2:00 p.m. (Hong Kong time). 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.
4. The record date for determining the entitlement of the shareholders of the Company to attend and vote at the SGM will be Friday, 11 May 2018. All transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on Friday, 11 May 2018.