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**VERY SUBSTANTIAL DISPOSAL
DISPOSAL OF THE TOTAL NUMBER OF ISSUED SHARES
IN A SUBSIDIARY; AND
RESUMPTION OF TRADING**

SHARE TRANSFER AGREEMENT

Reference is made to the holding announcement of the Company dated 10 April 2024 in relation to the Disposal.

On 27 March 2024 (after trading hours of the Stock Exchange), the Vendor, being a wholly-owned subsidiary of the Company, and the Purchaser, entered into the Share Transfer Agreement, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Disposal Share, representing the total number of issued shares in the Disposal Company, at the aggregate Consideration of HK\$10,000, in accordance with the terms of the Share Transfer Agreement.

As at the date of this announcement, the Disposal Company was owned as to 100% by the Vendor. Upon Completion, the Company will not have any interests in the Disposal Company and the Disposal Company will cease to be a subsidiary of the Company.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Disposal exceed 75%, the Disposal constitutes a very substantial disposal for the Company and is therefore subject to the notification, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

A SGM will be convened and held by the Company to seek the Shareholders' approval of the Share Transfer Agreement and the transactions contemplated thereunder.

A circular, containing, among other things (i) further information in relation to the Share Transfer Agreement; (ii) financial information of the Disposal Company; (iii) unaudited pro forma financial information of the Remaining Group; (iv) the notice convening SGM; and (v) other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 31 May 2024 so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

Completion of the Disposal is subject to the approval of the Shareholders having been obtained. Accordingly, the Disposal may or may not proceed. Shareholders and potential investors in the Company should exercise caution when dealing in or investing in the securities of the Company.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted from 9:00 a.m. on 28 March 2024 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:00 a.m. on 19 April 2024.

SHARE TRANSFER AGREEMENT

Reference is made to the holding announcement of the Company dated 10 April 2024 in relation to the Disposal.

On 27 March 2024 (after trading hours of the Stock Exchange), the Vendor, being a wholly-owned subsidiary of the Company, and the Purchaser, entered into the Share Transfer Agreement, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Disposal Share, representing the total number of issued shares in the Disposal Company, at the aggregate Consideration of HK\$10,000, in accordance with the terms of the Share Transfer Agreement.

The principal terms of the Share Transfer Agreement are set out below:

Date: 27 March 2024

Parties: (1) Profit Making Global Investments Limited (豐盈環球投資有限公司), as the Vendor

(2) Leung Hiu Tung (梁曉東), as the Purchaser

The Purchaser is an experienced investor in assets restructuring. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Purchaser is an Independent Third Party.

The Vendor is a company incorporated in the BVI with limited liability. It is an indirect wholly-owned subsidiary of the Company and is principally engaged in investment holding.

Assets to be disposed of

Pursuant to the Share Transfer Agreement, the Vendor agreed to sell and the Purchaser agreed to acquire the Disposal Share, representing the total number of issued shares of the Disposal Company. Immediately prior to the Completion, the Vendor is the sole legal and beneficial shareholder of the Disposal Company.

As at the date of the announcement, the Disposal Company is holding the following projects:

Project	Percentage holding	Use	Location	GFA of the development (sq.m)	Recognition in the Disposal Company's financial statements	Status
Anshan Coastal Xintiandi Project	100%	Commercial	Tiedong District, Anshan, the PRC	28,943	Completed properties for sale	For settlement of the legal case
Beijing Bay Project	40%*	Residential	Changping District, Beijing, the PRC	266,934	Interest in a joint venture	Disposed pursuant to a project acquisition agreement in November 2017, where the disposal has completed and the consideration has been fully paid and it is currently pending completion of the properties' title transfer

* The interest of the Disposal Company in the Beijing Bay Project is held through the JV Company, which the Disposal Company indirectly holds 40% of its equity interest.

For further information on the Anshan Coastal Xintiandi Project and the Beijing Bay Project, please refer to the section headed “Information on the Disposal Company” of this announcement.

Condition precedent

The Completion shall be conditional upon the obtaining of the approval of the Shareholders at the SGM.

In the event that such condition is not fulfilled within 5 months from the date of the Share Transfer Agreement or any such later date as agreed by the Vendor and the Purchaser in writing, the Share Transfer Agreement shall be terminated, the parties shall not be obliged to complete the sale and purchase of the Disposal Share and the Vendor shall return full amount of any part of the Consideration paid by the Purchaser under the Share Transfer Agreement (if any) within three Business Days thereof without interest and thereafter neither party shall have any claims on the other party.

Consideration

The aggregate Consideration for the sale and purchase of the Disposal Share is HK\$10,000, which shall be payable by the Purchaser to the Vendor in the following manner:

- (a) as to the amount of HK\$2,000 as the refundable deposit and part payment of the Consideration within five Business Days after the execution of the Share Transfer Agreement; and
- (b) as to the balance of HK\$8,000 at Completion.

The Consideration was determined after arm’s length negotiation between the Vendor and the Purchaser with reference to (i) the net liability value of the Disposal Company as at 31 March 2023 in the amount of approximately HK\$108,773,000; (ii) the financial information of the Disposal Company as disclosed under the section headed “Information on the Disposal Company” of this announcement; and (iii) the future prospects of the Disposal Company, whereby the Anshan Coastal Xintiandi Project will be transferred by the Disposal Company for settlement of the legal case, and the Beijing Bay Project has been disposed by the JV Company in 2017 and it is currently pending completion of the properties’ title transfer process as disclosed under the section headed “Information on the Disposal Company” of this announcement.

Completion

Completion shall take place on a date to be designated by the Vendor, which shall be no later than 20 days after the fulfilment of the condition precedent under the Share Transfer Agreement.

Upon Completion, the Company will not have any interests in the Disposal Company and the Disposal Company will cease to be a subsidiary of the Company.

INFORMATION ON THE DISPOSAL COMPANY

The Disposal Company is a company incorporated in Hong Kong with limited liability and as at the date of this announcement and immediately prior to Completion, an indirect wholly-owned subsidiary of the Company. The Disposal Company is principally engaged in investment holding and its subsidiaries are principally engaged in property development and investment holding. The Disposal Company is currently holding (a) 100% equity interest in the Anshan Coastal Xintiandi Project; and (b) the Beijing Bay Project through the JV Company, of which the Disposal Company indirectly owns 40% of its equity interest.

Reference is made to the annual report of the Company for the year ended 31 March 2023, whereby it was disclosed that Hengxiang Real Estate, being a subsidiary of the Disposal Company, was involved in a legal case. On 17 September 2020, the Intermediate People's Court of Liaoning Province concluded that the final indemnity agreed between Hengxiang Real Estate and the lender amounted to RMB296,304,000 (equivalent to approximately HK\$323,920,000) and to be fully settled with the transfer of the completed properties for sale of the Disposal Company, being the Anshan Coastal Xintiandi Project, and the completed properties for sale of the Group, being approximately 29.8% equity interest in the remaining parts of the Chongqing Silo City Project and approximately 24.05% equity interest in the remaining parts of the Dalian Jianzhu Project. Upon the transfer of approximately 29.8% equity interest in the remaining parts of the Chongqing Silo City Project and approximately 24.05% equity interest in the remaining parts of the Dalian Jianzhu Project for the purpose of settlement, there will be no additional liability to be borne by the Company. Moreover, the Beijing Bay Project has been disposed by the JV Company pursuant to a project acquisition agreement in November 2017, where the disposal of the Beijing Bay Project has been completed, the consideration has been fully paid and it is currently pending completion of the properties' title transfer process. As such, upon completion of such title transfer and the settlement of the legal case as aforesaid, the Disposal Company will not have any project on hand.

Set out below the unaudited consolidated financial information of the Disposal Company as prepared in accordance with the Hong Kong Financial Reporting Standards for the two years ended 31 March 2023:

	For the year ended 31 March 2023	For the year ended 31 March 2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>approximately</i>	<i>approximately</i>
	(unaudited)	(unaudited)
Net loss before taxation	(70,656)	(911,690)
Net profit (loss) after taxation	45,583	(909,756)

As at 31 March 2023 and 31 March 2022, based on the unaudited consolidated financial information of the Disposal Company, the Disposal Company had net liability of approximately HK\$108,773,000 and HK\$165,856,000, respectively.

FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS

As at the date of this announcement, the Disposal Company was owned as to 100% by the Vendor. Upon Completion, the Company will not have any interests in the Disposal Company and the Disposal Company will cease to be a subsidiary of the Company.

Upon Completion, the Group is expected to record an unaudited gain on the Disposal of approximately HK\$19,411,000. Such unaudited gain is estimated based on the Consideration of HK\$10,000 less the unaudited net liability value of the Disposal Company (net of the unaudited value of non-controlling interests) of approximately HK\$20,401,000 as at 31 March 2023, which is arrived at by deducting the unaudited value of non-controlling interests in the amount of approximately HK\$88,372,000 from the unaudited net liability value of the Disposal Company of approximately HK\$108,773,000, and estimated transaction cost. The actual gain/loss on the Disposal may be different from the above and will be determined based on the final financial position of the Disposal Company on the date of Completion.

Based on the Consideration and after deducting the associated cost of the Disposal, the Group is not expected to receive any net proceed from the Disposal.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Company is principally engaged in investment holding and the Group is principally engaged in the property development of properties for sale in the PRC, the investment of commercial and residential properties located in the PRC for rental income potential and/or for capital appreciation, the provision of project management services in the PRC and the provision of investment services in relation to investment in and sale of property development and old village land redevelopment projects in the PRC.

The Disposal Company was in a net liability position as at 31 March 2023 and this position is expected to remain at the same level upon settlement of the legal case amounted to RMB296,304,000 (equivalent to approximately HK\$323,920,000), when Hengxiang Real Estate will transfer the properties held under the Anshan Coastal Xintiandi Project for settlement purposes as disclosed under the section headed “Information on the Disposal Company” in this announcement. The net liability position of the Disposal Company is mainly attributable to the trade and other payables in the amount of approximately HK\$368 million and tax payable in the amount of approximately HK\$37.6 million as at 31 March 2023. As the Disposal Company will not have any operations subsequent to the transfer of the Anshan Coastal Xintiandi Project for settlement of the legal case and the completion of the title transfer process of the Beijing Bay Project, its net liability position is expected to worsen when it continues to incur day-to-day expenses. Given the current financial position and the future prospects of the Disposal Company, the Board is of the view that the Disposal will enable the Group to realise its investment in the Disposal Company and improve the balance sheet of the Group as the Disposal Company will cease to be a subsidiary of the Group and the assets and liabilities of the Disposal Company will no longer be consolidated into the consolidated financial statements of the Group.

Following Completion, the Group will continue to operate the following projects in terms of its operations in the property development segment:

Project	Use	Market value as at 31 March 2023 (RMB'000)	Development stage	GFA of the development (sq.m.)	Total revenue expected to be recognised for the whole project (RMB'000)	Timeline of revenue recognition	Whether the revenue will be consolidated into the Company's financial statements
Shahekou District, Dalian	Mixed	50,700	Completed for sale	217,200	55,620	Starting from fourth quarter of 2024	Yes
Jinzhou District, Dalian	Medical and hygiene	172,000	To be developed	123,046	250,000	Starting from fourth quarter of 2025	Yes
Sujiatun District, Shenyang	Mixed	598,000	To be developed	1,914,900	5,000,000	Starting from third quarter of 2027	Yes
Chaoyang District, Beijing*	Commercial	No commercial value as no relevant State-owned Land Use Rights Certificate was granted	To be developed	45,000	6,800,000	Starting from 2030	Yes
Remaining parts of the Chongqing Silo City Project [#]	Residential	29,085	Completed for sale	12,291	35,333	Starting from second quarter of 2024	Yes
Remaining parts of the Dalian Jianzhu Project [#]	Residential	73,800	Completed for sale	4,697	62,233	Starting from first quarter of 2025	Yes

* The Group intends to develop the project for the investment purpose and it is expected that the property will generate aggregate rental income in the estimated amount of RMB6.8 billion over the course of 35 years starting from 2030.

[#] As disclosed under the section headed "Information of the Disposal Company" of this announcement, approximately 29.8% of the Chongqing Silo City Project and approximately 24.05% of the Dalian Jianzhu Project will be transferred by the Group in settlement of a legal case and the remaining parts of the Chongqing Silo City Project and the Dalian Jianzhu Project will continue to be operated by the Group. As such, the figures stated herein represent the value for the projects remaining after such transfer.

The Group is expected to continue to generate its revenue mainly from its property development segment, which involves the sale of completed properties, and property investment segment, which involves the investment of the Group in commercial and residential properties located in the PRC for rental income potential and/or capital appreciation. The Group develops quality residential estates for upper to middle class domestic market for its property development segment. For its property investment segment, the Group holds some of its properties, including commercial and residential properties located in the PRC, for investment purposes. In managing its investment property portfolio, the Group takes into account the long-term growth potential and overall market conditions of the properties and the Group may sell some of the investment properties when it is in its interests to do so. For the six months ended 30 September 2023, the revenue derived from its property development segment represented approximately 5.2% of the total revenue of the Company for the period, whereas the revenue derived from its property investment segment represented approximately 94.8% of the total revenue of the Company for the period. The revenue derived from the Group's property development segment contracted for the six months ended 30 September 2023 in view of current down cycle of the PRC real estate industry, such that the Group has adopted a more conservative approach in investing in new development projects. However, the Group continues to look for opportunities to realise its investment in its development projects as part of the Group's business activities in the property development segment in order to reduce its debts. As illustrated in the table above, Shahekou District Dalian project, the remaining parts of Chongqing Silo City Project and the Dalian Jianzhu Project are expected to generate revenue for the Group for the financial year ending 31 March 2025. It is estimated that for the financial year ending 31 March 2025 (i) approximately RMB6.5 million will be received from sale of the mixed use project at Shahekou District, Dalian; (ii) approximately RMB15 million will be generated from sale of the remaining parts of the Chongqing Silo City Project; and (iii) approximately RMB12.9 million will be generated from sale of the remaining parts of the Dalian Jianzhu Project. Furthermore, as the Disposal Company was in a net liability position as at 31 March 2023, it is expected that the Disposal will not have material impact on the net assets value of the Group amounted to approximately HK\$1,881.2 million as at 30 September 2023 as stated in the interim report of the Company for the six months ended 30 September 2023. As such, in light of the assets and operations of the Remaining Group, the Board is of the view that following Completion, the Remaining Group will continue to meet the requirements of Rule 13.24 of the Listing Rules in respect of sufficiency of operations and assets.

In view of the above, the Directors consider that the terms and conditions of the Share Transfer Agreement are on normal commercial terms, fair and reasonable and the Disposal is in the interests of the Company and the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Disposal exceed 75%, the Disposal constitutes a very substantial disposal for the Company and is therefore subject to the notification, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

A SGM will be convened and held by the Company to seek the Shareholders' approval of the Share Transfer Agreement and the transactions contemplated thereunder.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Share Transfer Agreement and the transactions contemplated thereunder and no Shareholder will be required to abstain from voting on the resolution(s) to be proposed at the SGM.

A circular, containing, among other things (i) further information in relation to the Share Transfer Agreement; (ii) financial information of the Disposal Company; (iii) unaudited pro forma financial information of the Remaining Group; (iv) the notice convening SGM; and (v) other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 31 May 2024 so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

Completion of the Disposal is subject to the approval of the Shareholders having been obtained. Accordingly, the Disposal may or may not proceed. Shareholders and potential investors in the Company should exercise caution when dealing in or investing in the securities of the Company.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted from 9:00 a.m. on 28 March 2024 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:00 a.m. on 19 April 2024.

DEFINITIONS

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

“Anshan Coastal Xintiandi Project”	the commercial development project located in Tiedong District, Anshan, the PRC with a total GFA of approximately 28,943 sq.m. and as at the date of this announcement, the 100% equity interest is owned by the Group
“Beijing Bay Project”	the residential estate project located in Changping District, Beijing, the PRC with a total GFA of approximately 266,934 sq.m. and as at the date of this announcement, the 100% equity interest is owned by the JV Company
“Board”	the board of Directors
“Business Day(s)”	a day on which the banks in Hong Kong are normally open for business (excluding Saturdays)
“BVI”	the British Virgin Islands
“Chongqing Silo City Project”	the residential properties project located in Beipei District, Chongqing, the PRC with a total GFA of approximately 266,149 sq.m. and as at the date of this announcement, the 35% equity interest is owned by the Group and the remaining 65% equity interest is owned by Chongqing Beiban University Science and Technology Park Exhibition Company Limited* (重慶市北碚大學科技園發展有限公司), being an Independent Third Party
“Company”	Coastal Greenland Limited (沿海綠色家園有限公司*), a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Stock Exchange (stock code: 1124)
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Share Transfer Agreement

“Consideration”	the aggregate consideration for the Disposal, being the amount of HK\$10,000, payable by the Purchaser to the Vendor pursuant to the Share Transfer Agreement
“Dalian Jianzhu Project”	the residential development project located in Ganjingzi District, Dalian, the PRC with a total GFA of approximately 168,900 sq.m. and as at the date of this announcement, the 100% equity interest is owned by the Group
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Disposal Share in accordance with the terms and conditions of the Share Transfer Agreement
“Disposal Company”	Asiafame Development Limited (啟豐發展有限公司), a company incorporated in Hong Kong with limited liability and as at the date of this announcement and immediately prior to Completion, a wholly-owned subsidiary of the Company
“Disposal Share”	one issued share in the Disposal Company, representing the total number of issued shares of the Disposal Company, which is legally and beneficially owned by the Vendor as at the date of this announcement and immediately prior to Completion
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“Hengxiang Real Estate”	Hengxiang Real Estate Development Company Limited* (恒祥房地產開發有限公司), a company established in the PRC with limited liability, being an indirect subsidiary of the Disposal Company owned as to 86% and the remaining 14% of which is owned by Liu Zhixin, an Independent Third Party

“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	any person or company and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons (as defined in the Listing Rules)
“JV Company”	Beijing Huichao Real Estate Development Company Limited* (北京匯超房地產開發有限公司), a company established in the PRC with limited liability, being a joint venture company owned as to 40% indirectly by the Disposal Company and the holder of the 100% equity interest in the Beijing Bay Project
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Leung Hiu Tung (梁曉東)
“Remaining Group”	the Group immediately after completion of the Disposal
“RMB”	Renminbi, the lawful currency of the PRC
“SGM”	the special general meeting of the Company to be convened for the Shareholders to consider, and if thought fit, approve the Share Transfer Agreement and the transactions contemplated thereunder

“Share(s)”	ordinary share(s) of HK\$1.00 each in the issued share capital of the Company
“Share Transfer Agreement”	the share transfer agreement dated 27 March 2024 and entered into between the Vendor and the Purchaser in relation to, among others, the sale and purchase of the Disposal Share
“Shareholder(s)”	holder(s) of Shares
“sq.m.”	square metre(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Profit Making Global Investments Limited (豐盈環球投資有限公司), a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company
“%”	per cent.

* For identification purpose only

For the purpose of this announcement, conversion of RMB into HK\$ is calculated at the approximate exchange rate of RMB1 to HK\$1.0932. 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.

By order of the Board
Coastal Greenland Limited
Jiang Ming
Chairman

Hong Kong, 18 April 2024

As at the date of this announcement, the Board comprises Mr. Jiang Ming, Dr. Li Ting, Mr. Lin Chen Hsin and Ms. Tong Xinhua as executive Directors, Mr. Qiu Guizhong and Mr. Zhou Xiya as non-executive Directors and Mr. Wong Kai Cheong, Mr. Yang Jiangan and Mr. Huang Xihua as independent non-executive Directors.