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CGL
沿海綠色家園®

沿海綠色家園有限公司 *

COASTAL GREENLAND LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 1124)

TERMINATION OF THE PROPOSED ISSUE OF CONVERTIBLE BONDS

The Company announced on 23 March 2006 that the preliminary and non legally binding Term Sheet was entered into between the Company and the Subscriber regarding the Proposed Bonds Issue which may or may not proceed.

As the parties could not reach an agreement as to certain terms and conditions to be incorporated into the formal agreement, negotiations for the Proposed Bonds Issue have been terminated and accordingly, the Proposed Bonds Issue will not be proceeded with.

Reference is made to the announcement of Coastal Greenland Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 23 March 2006 regarding a proposed issue of convertible bonds (the “**Proposed Bonds Issue**”) by the Company.

On 22 March 2006, the Company and Supreme Link Limited (the “**Subscriber**”) entered into a preliminary and non legally binding term sheet (the “**Term Sheet**”) relating to the Proposed Bonds Issue in which it provides, among other matters, that the commitment of the Company and the Subscriber is subject to the parties entering into a formal agreement where further details as to the terms and conditions will be finalised and such Proposed Bonds Issue may or may not proceed. As the parties could not reach an agreement as to certain terms and conditions to be incorporated into the formal agreement, negotiations for the Proposed Bonds Issue have been terminated and accordingly, the Proposed Bonds Issue will not be proceeded with.

The board (the “**Board**”) of directors (each a “**Director**”) of the Company is of the view that the termination of the Proposed Bonds Issue will not have any material negative impact on the operations and the financial position of the Group.

GENERAL

As at the date of this announcement, the Board comprises Mr. Chan Boon Teong, Mr. Jiang Ming, Mr. Tao Lin, Mr. Lin Chen Hsin, Mr. Cheng Wing Bor as executive Directors; Mr. Zheng Hong Qing as non-executive Director; and Mr. Tang Lap Yan, Mr. Law Kin Ho and Mr. Wong Kai Cheong as independent non-executive Directors.

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

Hong Kong, 9 May 2006

* for identification purpose only

*Please also refer to the published version of this announcement in
The Standard and Sing Tao Daily.*