
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Coastal Greenland Limited (the “**Company**”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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



- (1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE
AND REPURCHASE SHARES;
(2) PROPOSED AMENDMENTS TO THE BYE-LAWS;
(3) PROPOSED RE-ELECTION OF DIRECTORS; AND
(4) NOTICE OF ANNUAL GENERAL MEETING**
-

A notice convening an annual general meeting of the Company to be held at Mont Blanc Room, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong at 10:00 a.m. on Friday, 3 September 2004 is set out on pages 14 to 28 of this circular. A form of proxy for use at the annual general meeting is enclosed with this circular.

If you are not able to attend the annual general meeting of the Company, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the office of the Company’s branch share registrar and transfer office in Hong Kong, Tengis Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the commencement of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish.

* For identification purposes only

31 July 2004

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Mont Blanc Room, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong at 10:00 a.m. on Friday, 3 September 2004 to consider and, if thought fit, to approve, among other things, the proposed grant of the General Mandate and the Repurchase Mandate, the proposed amendments to the Bye-Laws and the re-election of Directors
“associate”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“Bye-Laws”	the bye-laws of the Company
“Company”	Coastal Greenland Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“Directors”	the directors of the Company
“General Mandate”	the general mandate proposed to be granted to the Directors at the AGM to issue further new Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the relevant resolution granting such mandate
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	27 July 2004 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”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Repurchase Mandate”	the repurchase mandate proposed to be granted to the Directors at the AGM to repurchase up to 10% of the issued share capital of the Company as at the date of passing the relevant resolution granting such mandate
“SFO”	the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent

LETTER FROM THE BOARD



Executive Directors:

Mr. Chan Boon Teong (*Chairman*)
Mr. Jiang Ming
Mr. Tao Lin
Mr. Cheng Wing Bor
Mr. Lin Chen Hsin

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Non-executive Directors:

Mr. Zheng Hong Qing

*Head office and principal place
of business in Hong Kong:*

Room 502
Bank of East Asia Harbour View Centre
56 Gloucester Road
Hong Kong

Independent non-executive Directors:

Mr. Tang Lap Yan
Mr. Law Kin Ho

31 July 2004

To Shareholders

Dear Sir or Madam,

- (1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE
AND REPURCHASE SHARES;**
(2) PROPOSED AMENDMENTS TO THE BYE-LAWS;
(3) PROPOSED RE-ELECTION OF DIRECTORS; AND
(4) NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

At the AGM, resolutions will be proposed to seek Shareholders' approval for, among other things, (i) the granting of the General Mandate and the Repurchase Mandate to the Directors; (ii) the amendments to the Bye-Laws; and (iii) the re-election of Directors.

The purpose of this circular is to provide you with further information relating to the resolutions to be proposed at the AGM in respect of the matters as set out in the foregoing paragraph and the notice of the AGM.

* For identification purposes only

LETTER FROM THE BOARD

GENERAL MANDATE AND REPURCHASE MANDATE

The Directors propose to seek the approval of Shareholders to grant to the Directors the General Mandate and the Repurchase Mandate at the AGM.

At the AGM, an ordinary resolution will be proposed that the Directors be given an unconditional general mandate to allot, issue and deal with additional Shares (other than by way of rights issue or an issue of Shares pursuant to a share option scheme for employees or directors of the Company and/or any of its subsidiaries and/or participants of any invested entity in which the Group holds an equity interest or pursuant to any scrip dividend scheme or similar arrangements providing for the allotment and issue of Shares in lieu of whole or part of the dividend on Shares in accordance with the Bye-Laws) or make or grant offers, agreements, options and warrants which might require the exercise of such power of an aggregate nominal amount of up to 20% of the aggregate nominal amount of the issued Shares as at the date of passing such resolution.

As at the Latest Practicable Date, the Company had an aggregate of 2,024,000,000 Shares in issue. Subject to the passing of the resolution for the approval of the General Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the General Mandate to allot, issue and deal with a maximum of 404,800,000 Shares.

At the AGM, an ordinary resolution will also be proposed that the Directors be given an unconditional general mandate to repurchase Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange of an aggregate nominal amount of up to 10% of the aggregate nominal amount of the issued Shares as at the date of passing such resolution.

Subject to the passing of the resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 202,400,000 Shares.

The General Mandate and the Repurchase Mandate shall continue to be in force during the period from the date of passing of the resolutions for the approval of the General Mandate and the Repurchase Mandate respectively up to (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws, the Companies Act 1981 of Bermuda or any applicable laws of Bermuda to be held; or (iii) the revocation or variation of the General Mandate or the Repurchase Mandate (as the case may be) by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

LETTER FROM THE BOARD

An explanatory statement in connection with the Repurchase Mandate is set out in Appendix I to this circular. The explanatory statement contains all the information required under the Listing Rules to be given to Shareholders to enable them to make an informed decision on whether to vote for or against the resolution approving the Repurchase Mandate.

AMENDMENTS TO THE BYE-LAWS

The Stock Exchange has announced amendments to the Listing Rules relating to, among other things, the bye-laws or equivalent constitutional documents of listed issuers. The amendments to the Listing Rules have come into effect on 31 March 2004. Accordingly, the Directors propose to seek the approval of Shareholders for the proposed amendments to the Bye-Laws to ensure compliance with the amendments made to the Listing Rules.

The Directors propose to seek the approval of Shareholders for, among other things, the following amendments to the Bye-Laws:

- (i) A new Bye-Law 76(2) shall be inserted to the effect that where any Shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted;
- (ii) Bye-Law 88 shall be amended to the effect that the minimum length of the period during which the notice of intention to propose a person for election as a Director and the notice of the person to be proposed of his willingness to be elected are given shall be at least seven days and that the period for lodgment of the aforesaid notice(s) shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting; and
- (iii) Bye-Law 103 shall be amended to the effect that Directors shall abstain from voting on any Board resolution approving any matter in which he or any of his associates has a material interest and shall not be counted towards the quorum of the meeting.

Further, with the repeal of the Securities and Futures (Clearing Houses) Ordinance and the coming into effect of the SFO on 1 April 2003, it is proposed that the definition of "clearing house" in Bye-Law 1 shall be amended such that reference to the Securities and Futures (Clearing Houses) Ordinance shall be deleted.

The proposed amendments to the Bye-Laws also include, among other things, amendments providing for communication by electronic means and the removal of Directors by ordinary resolution so as to bring the Bye-Laws in line with changes to Bermuda and Hong Kong laws respectively, where applicable.

LETTER FROM THE BOARD

Details of the proposed amendments to the Bye-Laws are set out in the notice of the AGM as set out on pages 14 to 28 of this circular.

RE-ELECTION OF DIRECTORS

According to Bye-Law 87(1), one-third of the Directors for the time being, or, if their number is not three or a multiple of three then the number nearest to but not exceeding one-third, shall retire from office by rotation at every annual general meeting of the Company, provided that notwithstanding anything therein, the chairman of the Board and/or the managing director of the Company shall not, whilst holding such office, be subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year. A retiring Director shall be eligible for re-election.

In accordance with Bye-Law 87(1), Mr. Lin Chen Hsin and Mr. Law Kin Ho shall retire from office by rotation at the AGM. Being eligible, each of Mr. Lin Chen Hsin and Mr. Law Kin Ho will offer himself for re-election as executive Director and independent non-executive Director respectively. At the AGM, an ordinary resolution will be proposed to re-elect Mr. Lin Chen Hsin and Mr. Law Kin Ho as executive Director and independent non-executive Director respectively.

Particulars relating to Mr. Lin Chen Hsin and Mr. Law Kin Ho are set out in Appendix III to this circular.

AGM

A notice convening the AGM to be held at 10:00 a.m. on Friday, 3 September 2004 at Mont Blanc Room, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong is set out on pages 14 to 28 of this circular. Ordinary resolutions will be proposed at the AGM to approve, among other things, the proposed grant of the General Mandate and the Repurchase Mandate and the proposed re-election of Directors. A special resolution will be proposed at the AGM to approve the proposed amendments to the Bye-Laws.

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published on the website of the Stock Exchange at www.hkex.com.hk. If you are not able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the office of the Company's branch share registrar and transfer office in Hong Kong, Tengis Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the commencement of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

LETTER FROM THE BOARD

PROCEDURES FOR DEMANDING A POLL AT GENERAL MEETING

The procedures by which the Shareholders may demand a poll at general meeting of the Company are set out in Appendix II to this circular.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

RECOMMENDATION

The Directors consider that the proposed grant of the General Mandate and the Repurchase Mandate, the proposed amendments to the Bye-Laws and the proposed re-election of Directors are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that Shareholders vote in favour of the relevant resolutions to be proposed at the AGM.

Yours faithfully
For and on behalf of the board of
Coastal Greenland Limited
Chan Boon Teong
Chairman

This Appendix provides an explanatory statement containing all the information required under the Listing Rules to be given to the Shareholders to enable them to make an informed decision as to whether to vote for or against the ordinary resolution to be proposed at the AGM to approve the Repurchase Mandate.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,024,000,000 Shares.

Subject to the passing of the relevant ordinary resolution approving the Repurchase Mandate and on the basis that no further Shares are issued prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 202,400,000 Shares, representing 10% of the issued share capital of the Company at the Latest Practicable Date.

SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months prior to the Latest Practicable Date were as follows:

	Trading Share prices	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2003		
July	0.181	0.100
August	0.153	0.110
September	0.155	0.121
October	0.192	0.120
November	0.185	0.157
December	0.195	0.145
2004		
January	0.295	0.188
February	0.295	0.228
March	0.260	0.200
April	0.239	0.180
May	0.188	0.125
June	0.170	0.140
July (up to the Latest Practicable Date)	0.160	0.142

REASONS FOR REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders. Repurchases of Shares made under the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement in the value of the Shares and/or the earnings per Share and will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders as a whole.

FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and Bye-Laws, the Listing Rules and the applicable laws of Bermuda.

Under Bermuda law, any repurchases by a company may be made out of capital paid up on the shares to be repurchased or out of funds of the company otherwise available for dividend or distribution or out of the proceeds of a fresh issue of shares made for the purpose. Any premium payable on a purchase over the par value of the shares to be purchased must be provided out of funds of the company otherwise available for dividend or distribution or out of the company's share premium account.

In repurchasing Shares, the Directors will only apply funds legally available for repurchase of Shares as stated in the foregoing paragraphs.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the latest published audited consolidated financial statements of the Company for the year ended 31 March 2004 as contained in the Company's 2003-2004 annual report) in the event that the Repurchase Mandate were to be exercised in full at any time during the repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

GENERAL

The Directors have undertaken to the Stock Exchange that it will exercise the powers of the Company to repurchase Shares in accordance with the Listing Rules and the laws of Bermuda so far as the same may be applicable.

If as a result of a Share repurchase by the Company, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase may be treated as an acquisition for the purpose of Takeovers Code. Accordingly, a Shareholder, or group of

Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code. The Directors are not aware of any Shareholder, or group of Shareholders acting in concert, who/which may become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code in the event that the Directors exercised the power to repurchase Shares pursuant to the Repurchase Mandate in full. As at the Latest Practicable Date, the controlling Shareholder, Coastal International Holdings Limited has a beneficial interest in 1,027,890,527 Shares in or approximately 50.79% of the issued share capital of the Company and if the power to repurchase Shares pursuant to the Repurchase Mandate were exercised in full such interest of Coastal International Holdings Limited would be increased to approximately 56.43%. The Directors consider that such an increase would not give rise to an obligation on the part of Coastal International Holdings Limited to make a mandatory offer under Rules 26 of the Takeovers Code. The Directors believe that the shareholding of Shares in public hands would not fall to a level below 25% of the issued share capital of the Company should the Repurchase Mandate be exercised in full.

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, any of their associates have notified the Company of any present intention to sell Shares to the Company or its subsidiaries under the Repurchase Mandate, if such is approved by the Shareholders.

No connected person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Company is authorised to make purchases of its own Shares.

There have been no repurchases of Shares made by the Company (whether on the Stock Exchange or otherwise) during the six months immediately prior to the Latest Practicable Date.

The procedures by which the Shareholders may demand a poll at general meeting of the Company are set out in this Appendix.

According to Bye-Law 66, a resolution put to the vote of a meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of such meeting; or
- (b) by at least three Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) by a Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) by a Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.

The details of the Directors who will retire from office by rotation and being eligible will offer themselves for re-election at the AGM are set out below:

Mr. Lin Chen Hsin (“Mr. Lin”), an executive Director, aged 60. He joined the Group in 1990 and was appointed as an executive Director on 5 March 1997. He is responsible for administration of the Group’s Hong Kong office and the public relations of the Group. Before joining the Group, he has over 20 years’ experience in import and export trading and manufacturing. He graduated from the Shanghai Education Institute (上海教育學院). Mr. Lin has renewed his service contract with the Company for a further term of three years upon expiry of the service contract on 29 September 2003. His salary for the year ended 31 March 2004 is HK\$299,000 which is determined with reference to his duties and responsibilities with the Company, the Company’s performance and the prevailing market situation. Under the service contract, as from the first day of April of each year covered by the service period of his service contract, the salary of Mr. Lin shall be determined by the Board whereby the salary so determined shall not be more than 125 per cent. of his salary for the preceding year. In addition, the Company may in its sole and unfettered discretion pay to Mr. Lin a performance bonus not exceeding five per cent. of the net profit of the Group for each financial year. Mr. Lin directly holds 480,000 Shares. Mr. Lin also holds a 3% interest in the issued voting share capital of Coastal International Holdings Limited (“CIH”), the controlling Shareholder, which has beneficial interests in 1,027,890,527 Shares (which is the aggregate number of Shares that CIH and its wholly owned subsidiaries, Glory View Investments Limited and Coastal Enterprise Group Limited are interested in the issue share capital of the Company). Mr. Lin further holds 1,000,000 non-voting deferred shares of HK\$1 each in Coastal Realty Development Co. Limited, a subsidiary of the Company, and is deemed to be interested in another 5,000,000 non-voting deferred shares of the said subsidiary of the Company by virtue of his interest in CIH as stated in the foregoing, as the aforesaid 5,000,000 non-voting deferred shares are held by a 97% owned subsidiary of CIH. In addition, Mr. Lin holds 1,600,000 outstanding share options granted to him under the share option scheme adopted by the Company on 20 September 1997. The exercise price of the outstanding share options is HK\$0.2 per Share. Save as disclosed in the foregoing, Mr. Lin does not have, and is not deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO). Apart from the foregoing, Mr. Lin does not have any relationship with any other Directors, senior management of the Company, substantial Shareholders or the controlling Shareholder.

Mr. Law Kin Ho (“Mr. Law”), an independent non-executive Director, aged 36. He was appointed as an independent non-executive Director on 29 July 2002. Mr. Law graduated from Hong Kong Baptist University with a Bachelor’s degree majoring in accountancy. He is a fellow of the Hong Kong Society of Accountants and the Chartered Association of Certified Accountants, United Kingdom. Mr. Law is currently practising as a certified public accountant in Hong Kong. There is no formal service contract for specific terms for Mr. Law’s service as an independent non-executive Director. In accordance with the Bye-Laws, Mr. Law is subject to retirement by rotation and re-election at the Company’s annual general meeting. The

director's fee for the year ended 31 March 2004 for Mr. Law is HK\$50,000 which is determined with reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market situation. The director's fee for Mr. Law is reviewed annually by the Board with reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market situation. There is no service contract with Mr. Law that will entitle him to receive any bonus payment from the Company. Mr. Law does not have, and is not deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO). Mr. Law does not have any relationship with any other Directors, senior management of the Company, substantial Shareholders or the controlling Shareholder.

Both of the service arrangements with Mr. Lin and Mr. Law as stated in the foregoing paragraphs shall not require prior approval of the Shareholders under the Listing Rules as the arrangements are not for a term with a duration exceeding three years and are determinable with a period of notice of less than one year or without having to pay compensation or make other payment equivalent to more than one year's emoluments.

NOTICE OF THE AGM



NOTICE IS HEREBY GIVEN that an annual general meeting of Coastal Greenland Limited (the “**Company**”) will be held at 10:00 a.m. on Friday, 3 September 2004 at Mont Blanc Room, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong for the following purposes:

1. To receive and consider the Audited Consolidated Financial Statements and the Reports of the Directors and Auditors for the year ended 31 March 2004.
2. To re-elect Directors and authorise the Board to fix the remuneration of Directors.
3. To re-appoint Ernst & Young as auditors of the Company and authorise the Board to fix their remuneration.
4. To consider as special business and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions.

(I) “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase Shares on the Stock Exchange or on any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the the Listing Rules or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares to be purchased by the Company pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of this Resolution and the said approval shall be limited accordingly; and

* For identification purposes only

NOTICE OF THE AGM

- (c) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws or any applicable law of Bermuda to be held; and
 - (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting of the Company.”

- (II) **“THAT:**
 - (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional Shares and to make or grant offers, agreements and options which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) shall authorise the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
 - (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) above, otherwise than (i) a Rights Issue (as hereinafter defined); (ii) an issue of Shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to participants of the Company and/or any of its subsidiaries and/or any invested entity in which the Group holds an equity interest, of Shares or rights to acquire Shares; or (iii) an issue of Shares as scrip dividends pursuant to the Bye-Laws from time to time, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company at the date of passing this Resolution and the said approval shall be limited accordingly; and

NOTICE OF THE AGM

- (d) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws or any applicable law of Bermuda to be held; and
 - (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting of the Company.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to the Shareholders on the register on a fixed record date in proportion to their then holdings of such Shares as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong applicable to the Company).”

- (III) “**THAT** subject to the passing of the Resolutions 4(I) and 4(II) set out in the foregoing, the general mandate granted to the Directors to allot, issue and deal with additional Shares pursuant to Resolution 4(II) set out in the foregoing be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of Shares repurchased by the Company under the authority granted pursuant to Resolution 4(I) set out in the foregoing, provided that such amount of Shares so repurchased shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of the said Resolution.”
5. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as a special resolution.

“**THAT** the Bye-Laws be and are hereby amended in the following manner:

Bye-law 1

- (i) by inserting the following new definition of “associate” in Bye-law 1:

““associate” the meaning attributed to it in the rules of the Designated Stock Exchange.”;

NOTICE OF THE AGM

- (ii) by deleting the words “a recognised clearing house within the meaning of Section 2 of the Securities and Futures (Clearing Houses) Ordinance of Hong Kong or” in the definition of “clearing house”;

Bye-law 2

1. By inserting at the end of Bye-law 2(e), the following words:

“, and including where the representation takes the form of electronic display, provided that both the mode of service of the relevant document or notice and the Member’s election comply with all applicable Statutes, rules and regulations;”;

2. By inserting the word “clear” after the words “not less than fourteenth (14)” in the fifth line of existing Bye-law 2(i);

3. By deleting the full-stop at the end of the existing Bye-law 2(j) and replacing therewith a semicolon and the word “and”, and inserting the following paragraph as new Bye-law 2(k):

“(k) references to a document being executed include references to it being executed under hand or under seal or by electronic signature or by any other method and references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not.”

Bye-law 6

By inserting the words “, save for the use of share premium as expressly permitted by the Act,” after the words “issued share capital or” in, and deleting the words “in any manner permitted by law” at the end of Bye-law 6.

Bye-law 12

By substituting the words “Subject to the Act, and these Bye-laws” with the following new words in Bye-law 12:

“Subject to the Act, these Bye-laws, any direction that may be given by the Company in general meeting and, where applicable, the rules of any Designated Stock Exchange”.

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Bye-law 43

By inserting the words “, in respect of any shares that are not fully paid,” after the words “held by him and” in existing Bye-law 43(1)(a).

Bye-law 44

By inserting the words “or by any means in such manner as may be accepted by the Designated Stock Exchange” after the words “Designated Stock Exchange” in the eighth line of existing Bye-law 44.

Bye-law 46

By inserting the words “in a form prescribed by the Designated Stock Exchange or” after the words “usual or common form or in” in the second line of the existing Bye-law 46.

Bye-law 51

By inserting the words “or by any means in such manner as may be accepted by the Designated Stock Exchange” after the words “in accordance with the requirements of any Designated Stock Exchange” in the third line of Bye-law 51.

Bye-law 66

By inserting the following sentence as the second sentence of existing Bye-law 66:

“Notwithstanding anything contained in these Bye-laws, where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands.”

Bye-law 76

by re-numbering the existing Bye-law 76 as Bye-law 76(1) and inserting the following new Bye-law 76(2) immediately after the new Bye-law 76(1):

“76. (2) Where the Company has knowledge that any Member is, under the rules of the Designated Stock Exchange, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.”;

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Bye-law 84

By substituting the existing Bye-law 84(2) with the following new Bye-law 84(2):

“(2) Where a Member is a clearing house (or its nominee(s) and, in each case, being a corporation), it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of Members provided that the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Bye-law shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorisation including the right to vote individually on a show of hands.”

Bye-law 86

1. By substituting the existing Bye-law 86(1) with the following new Bye-law 86(1):

“(1) Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two (2). There shall be no maximum number of Directors unless otherwise determined from time to time by the Members in general meeting. The Directors shall be elected or appointed in the first place at the statutory meeting of Members and thereafter at the annual general meeting in accordance with Bye-law 87 or at any special general meeting and shall have office until the next appointment of Directors or until their successors are elected or appointed. Any general meeting may authorise the Board to fill any vacancy in their number left unfilled at a general meeting.”;

2. By substituting the word “special” with the word “ordinary” in Bye-law 86(4).

NOTICE OF THE AGM

Bye-law 88

by deleting the existing Bye-law 88 in its entirety and substituting therefor a new Bye-law 88 as follows:

“No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a Notice signed by a Member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a Notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office provided that the minimum length of the period, during which such Notices are given, shall be at least seven (7) days and that the period for lodgment of such Notices shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.”;

Bye-law 89

By deleting the words “whereupon the Board resolves to accept such resignation” at the end of Bye-law 89(1).

Bye-law 103

by deleting the existing Bye-law 103 in its entirety and substituting therefor a new Bye-law 103 as follows:

“103. (1) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement or any other proposal in which he or any of his associate(s) is materially interested, and if he shall do so his vote shall not be counted (nor is he to be counted in the quorum present at the meeting) but this prohibition shall not apply to any of the following matters namely:

- (i) any contract or arrangement for the giving to such Director or his associate(s) any security or indemnity in respect of money lent by him or any of his associate(s) or obligations incurred or undertaken by him or any of his associate(s) at the request of or for the benefit of the Company or any of its subsidiaries;

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- (ii) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (iii) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iv) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company;
- (v) any contract or arrangement concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder or in which the Director and any of his associate(s) are not in aggregate beneficially interested in five (5) per cent. or more of the issued shares or of the voting rights of any class of shares of such company (or of any third company through which his interest or that of any of his associate(s) is derived);
or
- (vi) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme under which the Director or his associate(s) may benefit or, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to directors, his associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates.

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- (2) A company shall be deemed to be a company in which a Director and/or his associate(s) own(s) five (5) per cent. or more if and so long as (but only if and so long as) he and/or his associates (either directly or indirectly) is/are the holder(s) of or beneficially interested in five (5) per cent. or more of any class of the equity share capital of such company or of the voting rights available to members of such company (or of any third company through which his interest or that of any of his associates is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprised in a trust in which the interest of the Director and/or his associate(s) is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director and/or his associate(s) is/are interested only as a unit holder and any shares which carry no voting right at general meetings and very restrictive dividend and return of capital right.
- (3) Where a company in which a Director and/or his associate(s) hold(s) five (5) per cent. or more of its issued share capital is materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.
- (4) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or his associate(s) or as to the entitlement of any Director (other than such chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not being counted in the quorum, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director and/or his associate(s) concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall not be counted in the quorum and shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board.”

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Bye-law 116

By inserting the word “, electronic” after the words “by means of a conference telephone” in existing Bye-law 116(2).

Bye-law 133

By substituting the existing Bye-law 133(1)(c) with the following new Bye-law 133(1)(c):

“(c) of all resolutions and proceedings of each general meeting of the Members and meetings of the Board.”;

Bye-law 136

1. By re-numbering existing Bye-law 136 as Bye-law 136(1);
2. By inserting the following new Bye-law 136(2):

“(2) Notwithstanding any provision contained in these Bye-laws, the Directors may, if permitted by applicable law, authorise the destruction of documents set out in sub-paragraphs (a) to (e) of paragraph (1) of this Bye-law and any other documents in relation to share registration which have been microfilmed or electronically stored by the Company or by the share registrar on its behalf provided always that this Bye-law shall apply only to the destruction of a document in good faith and without express notice to the Company and its share registrar that the preservation of such document was relevant to a claim.”

Bye-law 153

By inserting the words “and Bye-law 153A” after the words “Section 88 of the Act” in existing Bye-law 153.

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Bye-laws 153A and 153B

By inserting the following new Bye-laws 153A and 153B:

“153A. To the extent permitted by and subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, and to obtaining all necessary consents, if any, required thereunder, the requirements of Bye-law 153 shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, a summary financial statement derived from the Company’s annual accounts and the directors’ report which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors’ report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to a summary financial statement, a complete printed copy of the Company’s annual financial statement and the directors’ report thereon.

153B. The requirement to send to a person referred to in Bye-law 153 the documents referred to in that provision or a summary financial report in accordance with Bye-law 153A shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, the Company publishes copies of the documents referred to in Bye-law 153 and, if applicable, a summary financial report complying with Bye-law 153A, on the Company’s computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company’s obligation to send to him a copy of such documents.”

Bye-law 154

By substituting the words “fourteen (14)” with the words “twenty-one (21)” in the fourth line of Bye-law 154(2).

NOTICE OF THE AGM

Bye-law 157

By substituting the existing Bye-law 157 with the following new Bye-law 157:

“157. If the office of auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Directors shall fill the vacancy and fix the remuneration of the Auditor so appointed.”

Bye-law 160

By substituting the existing Bye-law 160 with the following new Bye-law 160:

160. Any Notice or document (including any “corporate communication” within the meaning ascribed thereto under the rules of the Designated Stock Exchange), whether or not, to be given or issued under these Bye-laws from the Company to a Member shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication and any such Notice and document may be served or delivered by the Company on or to any Member either personally or by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of Notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the Member or may also be served by advertisement in appointed newspapers (as defined in the Act) or in newspapers published daily and circulating generally in the territory of and in accordance with the requirements of the Designated Stock Exchange or, to the extent permitted by the applicable laws, by placing it on the Company’s website or the website of the Designated Stock Exchange, and giving to the Member a notice stating that the notice or other document is available there (a “notice of availability”). The notice of availability may be given to the Member by any of the means set out above. In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.

NOTICE OF THE AGM

Bye-law 161

By substituting the existing Bye-law 161 with the following new Bye-law 161:

161. Any Notice or other document:

- (a) if served or delivered by post, shall where appropriate be sent by airmail and shall be deemed to have been served or delivered on the day following that on which the envelope containing the same, properly prepaid and addressed, is put into the post; in proving such service or delivery it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly addressed and put into the post and a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board that the envelope or wrapper containing the notice or other document was so addressed and put into the post shall be conclusive evidence thereof;
- (b) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A notice placed on the Company's website or the website of the Designated Stock Exchange is deemed given by the Company to a Member on the day following that on which a notice of availability is deemed served on the Member;
- (c) if served or delivered in any other manner contemplated by these Bye-laws, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch, transmission or publication; and in proving such service or delivery a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board as to the fact and time of such service, delivery, despatch, transmission or publication shall be conclusive evidence thereof; and
- (d) may be given to a Member either in the English language or the Chinese language, subject to due compliance with all applicable Statutes, rules and regulations.

NOTICE OF THE AGM

Bye-law 163

By inserting the words “or electronic” after the words “a cable or telex or facsimile” in the first line of existing Bye-law 163.

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

Hong Kong, 31 July 2004

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

*Head office and principal place of
business in Hong Kong:*
Room 502
Bank of East Asia Harbour View Centre
56 Gloucester Road
Hong Kong

Notes:

1. The register of members of the Company will be closed from Tuesday, 31 August 2004 to Thursday, 2 September 2004 (both days inclusive) during which period no transfer of Shares will be registered. In order to qualify for voting at the AGM, all transfers of Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tengis Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wan Chai, Hong Kong for registration not later than 4:00 p.m. on Monday, 30 August 2004.
2. A member entitled to attend and vote at the AGM is entitled to appoint one or more proxy or proxies to attend and, subject to the provisions of the Bye-Laws, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the AGM 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.
3. A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published on the website of the Stock Exchange at www.hkex.com.hk. 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 office of the Company’s branch share registrar and transfer office in Hong Kong, Tengis Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for the commencement of the AGM or any adjournment thereof. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the AGM or any adjournment thereof, should he so wish.
4. In the case of joint holders of shares, any one of such holders may vote at the AGM, either personally or by proxy, in respect of such Share as if he was solely entitled thereto, but if more than one of such joint holders are present at the AGM 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.

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5. In respect of the proposed Resolution 2 stated above, Mr. Lin Chen Hsin and Mr. Law Kin Ho will retire from their offices by rotation at the AGM pursuant to Bye-Law 87(1) and being eligible will offer themselves for re-election at the AGM. Details of the Directors proposed to be re-elected at the AGM are set out in Appendix III to this circular.
6. In respect of the proposed Resolution 4(I) stated above, the Directors wish to state that they will exercise the power conferred thereby to repurchase Shares in circumstances which they deem appropriate for the benefits of the Shareholders. An explanatory statement containing the information necessary to enable the Shareholders to make an informed decision to vote on this Resolution as required by the Listing Rules is included in Appendix I to this circular.
7. In respect of the proposed Resolution 4(II) stated above, the Directors wish to state that they have no immediate plans to issue new Shares other than the new Shares to be issued upon the exercise of subscription rights of options granted under the share option scheme of the Company, if any.