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

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**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.

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

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A notice convening an annual general meeting of the Company to be held at Tien Room, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong at 10:00 a.m. on Monday, 5 September 2005 is set out on pages 13 to 16 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

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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:*

“AGM”	the annual general meeting of the Company to be held at Tien Room, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong at 10:00 a.m. on Monday, 5 September 2005 to consider and, if thought fit, to approve, among other things, the proposed grant of the General Mandate and the Repurchase Mandate 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”	26 July 2005 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
“PRC”	the People’s Republic of China

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## DEFINITIONS

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“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

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## LETTER FROM THE BOARD

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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)

*Executive Directors:*

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

*Non-executive Director:*

Mr. Zheng Hong Qing

*Independent non-executive Directors:*

Mr. Tang Lap Yan  
Mr. Law Kin Ho  
Mr. Wong Kai Cheong

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

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

Suite 1708, 17th Floor  
One Exchange Square  
8 Connaught Place  
Central  
Hong Kong

30 July 2005

*To Shareholders*

Dear Sir or Madam,

**(1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE  
AND REPURCHASE SHARES;**

**(2) PROPOSED RE-ELECTION OF DIRECTORS;**

**AND**

**(3) 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; and (ii) 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

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## LETTER FROM THE BOARD

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### 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.

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.

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## LETTER FROM THE BOARD

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### 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. Tao Lin and Mr. Tang Lap Yan shall retire from office by rotation at the AGM. Being eligible, Mr. Tao Lin and Mr. Tang Lap Yan will offer themselves for re-election as executive Director and independent non-executive Director respectively.

According to Bye-Law 86(2), the term of Mr. Wong Kai Cheong as independent non-executive Director shall terminate at the conclusion of the AGM. Being eligible, Mr. Wong Kai Cheong will offer himself for re-election as independent non-executive Director.

At the AGM, an ordinary resolution will be proposed to re-elect Mr. Tao Lin as executive Director and Mr. Tang Lap Yan and Mr. Wong Kai Cheong as independent non-executive Directors.

Particulars relating to Mr. Tao Lin, Mr. Tang Lap Yan and Mr. Wong Kai Cheong are set out in Appendix III to this circular.

### AGM

A notice convening the AGM to be held at 10:00 a.m. on Monday, 5 September 2005 at Tien Room, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong is set out on pages 13 to 16 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 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](http://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.

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## LETTER FROM THE BOARD

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### 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 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 as at the date of passing the relevant ordinary resolution approving the Repurchase Mandate.

## 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>
<b>2004</b>		
July	0.177	0.142
August	0.154	0.131
September	0.155	0.138
October	0.146	0.130
November	0.187	0.126
December	0.172	0.147
<b>2005</b>		
January	0.210	0.150
February	0.310	0.186
March	0.310	0.237
April	0.255	0.215
May	0.315	0.220
June	0.310	0.255
July (up to the Latest Practicable Date)	0.300	0.265

**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 2005 as contained in the Company's 2004-2005 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. Tao Lin (“Mr. Tao”)**, an executive Director, aged 47. He joined the Group in 1991 and was appointed as an executive Director on 5 March 1997. He is responsible for investment planning, investment management and project development of the Group. Before joining the Group, he had served as an operations officer in a software development company in the PRC. He has over 17 years’ experience in investment and management. Mr. Tao had not held any office of directorship in any other listed public companies in the last three years. He graduated from the Beijing Communication Engineering College (北京信息工程學院). Mr. Tao has renewed his service contract with the Company for a further term of three years upon expiry of the service contract on 20 September 2003. His salary for the year ended 31 March 2005 is HK\$840,000 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. Tao shall be determined by the Board whereby the salary so determined shall not be more than 125% of his salary for the preceding year. In addition, the Company may in its sole and unfettered discretion pay to Mr. Tao a performance bonus not exceeding 5% of the net profit of the Group for each financial year. No bonus is paid or payable to Mr. Tao for the year ended 31 March 2005. Mr. Tao holds a 5% 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). In addition, Mr. Tao holds 6,400,000 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. Tao 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. Tao does not have any relationship with any other Directors, senior management of the Company, substantial Shareholders or the controlling Shareholder.

**Mr. Tang Lap Yan (“Mr. Tang”)**, an independent non-executive Director and a member of the Company’s audit committee, aged 60. He was appointed as an independent non-executive Director on 20 September 1997. Mr. Tang is a fellow of the Chartered Institute of Management Accountants, United Kingdom. He is the former chairman of The Chinese Language Press Institute and The Newspaper Society of Hong Kong. Mr. Tang had not held any office of directorship in any other listed public companies in the last three years. There is no formal service contract for specific terms for Mr. Tang’s service as an independent non-executive Director. In accordance with the Bye-Laws, Mr. Tang 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 2005 for Mr. Tang 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. Tang 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. Tang that will entitle him to receive any bonus payment from the Company. Mr. Tang 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. Tang does not have any relationship with any other Directors, senior management of the Company, substantial Shareholders or the controlling Shareholder. Apart from being an independent non-executive Director and a member of the Company's audit committee, Mr. Tang does not hold any other position in the Company or any subsidiaries of the Company.

The details of the Director whose term of directorship with the Company shall terminate at the conclusion of the AGM and being eligible will offer himself for re-election at the AGM are set out below:

**Mr. Wong Kai Cheong ("Mr. Wong")**, aged 43, is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants, United Kingdom. Mr. Wong was appointed as an independent non-executive Director and a member of the Company's audit committee on 29 July 2004. Mr. Wong is currently practicing as a certified public accountant in Hong Kong. Mr. Wong is also an independent non-executive director of U-RIGHT International Holdings Limited, a listed company on the Stock Exchange. There is no formal service contract for specific terms for Mr. Wong's service as an independent non-executive Director. In accordance with the Bye-Laws, Mr. Wong 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 2005 for Mr. Wong 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. Wong 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. Wong that will entitle him to receive any bonus payment from the Company. Mr. Wong 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. Wong does not have any relationship with any other Directors, senior management of the Company, substantial Shareholders or the controlling Shareholder. Apart from being an independent non-executive Director and a member of the Company's audit committee, Mr. Wong does not hold any other position in the Company or any subsidiaries of the Company.

The service arrangements with Mr. Tao, Mr. Tang and Mr. Wong 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 and without having to pay compensation or make other payment equivalent to more than one year's emoluments.

Save as disclosed herein, there are no other matters that need to be brought to the attention of the Shareholders in relation to the retirement and the re-election of Mr. Tao as executive Director and Mr. Tang and Mr. Wong as independent non-executive Directors.

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## NOTICE OF THE AGM

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(Stock Code: 1124)

**NOTICE IS HEREBY GIVEN** that an annual general meeting of Coastal Greenland Limited (the “Company”) will be held at 10:00 a.m. on Monday, 5 September 2005 at Tien 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 2005.
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 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

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## NOTICE OF THE AGM

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- (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
  - (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



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## NOTICE OF THE AGM

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(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.”

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

Hong Kong, 30 July 2005

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

*Head office and principal place  
of business in Hong Kong:*  
Suite 1708, 17th Floor  
One Exchange Square  
8 Connaught Place  
Central  
Hong Kong

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## NOTICE OF THE AGM

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*Notes:*

1. The register of members of the Company will be closed from Wednesday, 31 August 2005 to Friday, 2 September 2005 (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 Tuesday, 30 August 2005.
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](http://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.
5. In respect of the proposed Resolution 2 stated above, Mr. Tao Lin and Mr. Tang Lap Yan will retire from their offices by rotation at the AGM pursuant to Bye-Law 87(1) and Mr. Wong Kai Cheong will terminate his office at the conclusion of the AGM pursuant to Bye-Law 86(2) 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.