

[For Immediate Release]

Coastal Greenland Proposes Issue of Convertible Bonds

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To Raise Additional Fund for Business Development

(Hong Kong, 23 March 2006) – **Coastal Greenland Limited** (“Coastal Greenland” / the “Group”) (HKEx: 1124), a leading Mainland China property developer, today announced that the Group entered into a non legally binding term sheet (“term sheet”) with Supreme Link Limited (“Supreme Link”), a subsidiary of Nan Fung Resources Limited, in relation to the proposed issue of Proposed Convertible Bonds of US\$30 million. Further announcement will be made by the Group upon signing of the formal agreement.

Pursuant to the term sheet, the Proposed Convertible Bonds is divided into two equal tranches, each in the amount of US\$15 million. Supreme Link can convert the bonds to shares of Coastal Greenland at the conversion price of HK\$0.4 each. The conversion price represents a discount of approximately 14.89% to the average closing price of HK\$0.47 per share for the last ten consecutive trading days up to and including 21 March 2006 or a discount of approximately 1.31% to the average of the closing prices of HK\$0.4053 per share for the last thirty consecutive trading days up to and including 21 March 2006.

The conversion period for Tranche 1 Proposed Convertible Bonds will be one year from the date of its issue while that for Tranche 2 will be two year from the issuing date. Upon full conversion of the Proposed Convertible Bonds, Supreme Link Limited will hold 21.75% of the issued share capital of Coastal Greenland as enlarged by the allotment and issue of the conversion shares and will become the second largest shareholder.

Mr. Chan Boon Teong, Chairman of Coastal Greenland, said, “The proposed issue of the Proposed Convertible Bonds will not only provide the Group a good opportunity to raise additional fund for its operations, but will also enhance the business cooperation opportunities between the Group and Supreme Link Limited and its holding company, Nan Fung Resources Limited, and its group companies and affiliated companies in the future.”

Nan Fung Resources Limited and its group companies and affiliated companies have been actively participating in property development, property investment and provision of property management services in Hong Kong and elsewhere.

Mr. Chan concluded, “Riding on the huge housing demand driven by economic growth and urbanization in China, Coastal Greenland will further expand its core business and strive for better performance.”

About Coastal Greenland Limited

Established in Hong Kong in 1990, Coastal Greenland Limited (“Coastal Greenland”) (HKEx: 1124) has been investing in the Mainland China property market for 15 years. The Group’s investment is focused mainly in a dozen cities in the city circles of six major economic zones, namely Northeastern China, the Yangtze River Delta, the Pearl River Delta, along the Bohai Bay, and Central and Western China. Coastal Greenland has received many awards for its superior product quality, including the “Top 10 Most Valuable Real Estate Company Brand in China in 2004 and 2005 ” ranked by the “China Real Estate Top 10 Research Team”. It also made the list of the most influential brands in China published by the World Brand Lab in 2005.

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