

[For Immediate Release]

Coastal Greenland Proposes Issue of Convertible Notes & Senior Bonds

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To Raise Additional Fund for Future Investments

(Hong Kong, 20 June 2006) – **Coastal Greenland Limited** (“Coastal Greenland” / the “Group”) (HKEx: 1124), a leading Mainland China property developer, today announced that it has entered into a legally binding agreement (“agreement”) with Citadel Equity Fund Limited (“Citadel”) in relation to a proposed issue of convertible notes of US\$39.5 million to US\$65.0 million.

Citadel is an affiliate of Citadel Investment Group, L.L.C., which deploys investment capital across a highly diversified set of proprietary investment strategies in all major assets in the world’s principal markets. Its business network covers Hong Kong, Chicago, New York, San Francisco, Tokyo and London. According to the agreement, Citadel may convert the notes to shares of Coastal Greenland at the conversion price of HK\$0.7 each, subject to adjustment upon occurrence of any event that results in a dilution or concentration of the rights of shareholders. The conversion price represents a premium of approximately 29.63% over the closing price of HK\$0.54 per share on 16 June 2006 or a premium of approximately 18.64% over the average of the closing prices of HK\$0.59 per share for the last 10 consecutive trading days up to and including 16 June 2006.

The convertible notes will mature in 3.5 years from the date of its issue or on 30 December 2009, whichever is later, bearing interest at the rate of 4.75% per annum payable semi-annually in arrears. Upon full conversion of the convertible notes, Citadel will hold 16.59% or 24.66% of the issued share capital of Coastal Greenland as enlarged by the allotment, assuming US\$39.5 million or US\$65.0 million convertible notes are issued respectively.

After deducting relevant expenses, the net proceeds from the issue of the convertible notes will be approximately US\$37.4 million, assuming US\$39.5 million worth of convertible notes are issued. The Group plans to use the proceeds as to US\$25.0 million for the purpose of future investments and as to US\$12.4 million for the general working capital of the Group.

In addition to the proposed issue of convertible notes, the Group also proposed to issue senior bonds with not less than US\$20 million to Citadel, generating net proceeds of not less than US\$18.9 million for its future investment projects. Details of the terms of the senior bonds are yet to be agreed.

Mr. Chan Boon Teong, Chairman of Coastal Greenland, said, “The proposed issue of the convertible notes is a timely move of the Group to raise additional fund for its business development. The Chinese Government’s economic austerity measures will help the mainland property market develop steadily in the long run with bright prospects. We are confident that Coastal Greenland will be able to grasp opportunities arising from the booming Chinese economy and the country’s tremendous housing demand, leading to further expansion in the Group’s core business.”

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 cities 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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