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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)

**(1) ISSUE OF 1,500 UNITS CONSISTING OF AN AGGREGATE OF
US\$150 MILLION 12% GUARANTEED SENIOR NOTES DUE 2012
AND
111,622,500 WARRANTS FOR 111,622,500 ORDINARY SHARES;**

**(2) CONNECTED TRANSACTION
PROPOSED PLACING OF GUARANTEED SENIOR NOTES
AND WARRANTS TO
SHENZHEN INVESTMENT LIMITED;**

AND

(3) RESUMPTION OF TRADING

Further to the announcement of the Company dated 15 October 2007, on 30 October 2007 (after trading hours of the Stock Exchange), the Company, together with the Subsidiary Guarantors, entered into the Purchase Agreement with HSBC in connection with the issue of 1,500 Units consisting of US\$150 million principal amount of 12% Guaranteed Senior Notes due 2012 and 111,622,500 Warrants for 111,622,500 Shares.

Upon the issue of the Units and the Additional Units to the Initial Purchaser, the Notes and Warrants constituting the Units, and the Notes and Warrants constituting the Additional Units, will be immediately separated.

The closing price of the Shares on 30 October 2007, being the last full trading day prior to this announcement, was HK\$2.27 and the exercise price per Warrant Share (subject to reset and adjustment) is HK\$2.46.

On 30 October 2007 (after trading hours of the Stock Exchange), HSBC and the Investor entered into the Placing Agreement for the sale and purchase of the Additional Units in consideration for the Additional Units Purchase Price. The obligations of HSBC to sell and the Investor to buy the Additional Units are conditional upon the Company obtaining the Independent Shareholders' Approval. The Investor is a substantial shareholder of the Company holding approximately 22.7% of the issued share capital of the Company as at the date of this announcement. Accordingly, the signing of the Placing Agreement constitutes a connected transaction for the Company under Rule 14A.16(5) of the Listing Rules subject to the reporting, announcement and independent shareholders' approval requirements of Chapter 14A of the Listing Rules.

The Company estimates that the net proceeds from the offering of the Units and Additional Units, after deducting the underwriting discount and other estimated expenses payable in connection with the offering of the Units and Additional Units, will be approximately US\$142 million. The Company intends to use the net proceeds to redeem the 2008 Senior Notes, to finance property acquisitions and for general corporate purposes, including working capital.

An application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Warrant Shares to be issued upon exercise of the Warrants. No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 31 October 2007 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 2 November 2007.

INTRODUCTION

Further to the announcement of the Company dated 15 October 2007, on 30 October 2007 (after trading hours of the Stock Exchange), the Company, together with the Subsidiary Guarantors, entered into the Purchase Agreement with HSBC in connection with the issue of 1,500 Units consisting of US\$150 million principal amount of 12% Guaranteed Senior Notes due 2012 and 111,622,500 Warrants for 111,622,500 Shares.

THE PURCHASE AGREEMENT

Date: 30 October 2007

Parties: (a) the Company as the issuer
(b) the Subsidiary Guarantors
(c) HSBC as the Initial Purchaser

HSBC, the sole lead manager and sole bookrunner in respect of the offer and sale of the Units, is the Initial Purchaser of the Units. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, HSBC, including its ultimate beneficial owners, is an independent third party and not a connected person of the Company.

None of the Notes or the Warrants will be offered to the public in Hong Kong other than to “professional investors” as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and any rules made under that Ordinance. The issue of the Notes and Warrants were offered to certain institutional investors and will not constitute an offer to the public under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) for which a prospectus within the meaning of the Companies Ordinance is required. The Notes and Warrants will be issued to not less than six investors that are Independent Third Parties.

The Company has granted to HSBC the Option, exercisable at any time up to and including the date that is 60 days after the Original Issue Date, pursuant to which HSBC may require the Company to issue and sell to HSBC the Additional Units. The closing of the sale and purchase of the Additional Units will not take place simultaneously with the offering of the Units to other investors participating in the offering, and may not take place at all. In the event that the sale of the Additional Units to the Investor does not happen within 75 days of the Original Issue Date for any reason or that the Placing Agreement is terminated pursuant to the terms thereof, the subscription rights under the Warrants and the Warrant Agreement under which they will be issued will be amended to increase the entitlement upon exercise of the Warrants from one Warrant Share per Warrant to 1.5 Warrant Shares per Warrant. Warrants exercised prior to any such amendment will not be entitled to more than one Warrant Share per Warrant.

If any of the conditions specified in the Purchase Agreement is not fulfilled as and when required in the Purchase Agreement, or if any of the certificates, opinions, written statements or letters furnished to the Initial Purchaser pursuant to the Purchase Agreement shall not be in all respects satisfactory in form and substance to the Initial Purchaser, all obligations of the Initial Purchaser thereunder may be cancelled by the Initial Purchaser at, or at any time prior to, the Closing Date. If the Purchase Agreement is terminated, the Placing Agreement will automatically terminate. Subject to the foregoing, the Notes and Warrants constituting the initial Units are expected to be issued on the Closing Date and the Notes and Warrants constituting the Additional Units are expected to be issued on the Additional Units Closing Date.

Upon the issue of the Units and the Additional Units to the Initial Purchaser, the Notes and Warrants constituting the Units, and the Notes and Warrants constituting the Additional Units, will be immediately separated.

The Closing Date is expected to be on or around 8 November 2007, Hong Kong time. The Additional Units Closing Date is expected to be on or around 20 December 2007, Hong Kong time.

PRINCIPAL TERMS OF THE NOTES

Each Unit will include US\$100,000 principal amount of Notes and 74,415 Warrants for 74,415 Shares. A summary of the principal terms of the Notes is set out below.

Issuer:	The Company
Issue price:	US\$100,000 per Unit
Notes offered:	US\$150 million principal amount of 12% Guaranteed Senior Notes
Maturity date:	8 November 2012

Interest: The Notes will bear interest at 12% per annum from the Original Issue Date or from the most recent interest payment date to which interest has been paid or duly provided for, payable semiannually in arrears.

Interest payment dates: 8 May and 8 November of each year, commencing 8 May 2008 (each an “**Interest Payment Date**”)

Subsidiary Guarantees: Each of the Subsidiary Guarantors will, jointly and severally, guarantee the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under, the Notes. A Subsidiary Guarantee may be released in certain circumstances.

Security to be granted: The Company has agreed, for the benefit of the holders of the Notes, to charge, or cause the initial Subsidiary Guarantor pledgors to pledge, as the case may be, the capital stock of certain initial Subsidiary Guarantors (collectively, the “**Share Collateral**”) in order to secure the obligations of the Company under the Notes and the Indenture and of the Subsidiary Guarantor pledgors under their Subsidiary Guarantees. The Company has also agreed to establish and charge for the benefit of the holders of the Notes, an interest reserve account in the name of the Company maintained with the Trustee in Hong Kong. The Interest Reserve Account and the Share Collateral are collectively referred to as the “**Collateral**”. On the Original Issue Date, the Company will deposit into such interest reserve account an amount equivalent to one interest payment on the Notes. On each Interest Payment Date, funds from the Interest Reserve Account will be withdrawn and distributed to the Company for the payment of interest due on the Notes. Within five business days immediately following each such Interest Payment Date, the Company will deposit in the Interest Reserve Account funds in an amount sufficient to restore the balance on deposit in the Interest Reserve Account to maintain an aggregate amount equal to one interest payment on the Notes. At any time that is one year after the Original Issue Date, the Company can permanently terminate the operation of, and its obligations with respect to the Interest Reserve Account by delivering to the Trustee a certificate certifying satisfaction of certain financial conditions. All funds remaining in the Interest Reserve Account will be returned to the Company following such termination of the Interest Reserve Account.

Because certain of the shares to be pledged are currently serving as security for the 2008 Senior Notes to be redeemed with a portion of the proceeds of the Notes, on the Original Issue Date, the Company will not pledge the shares of any Subsidiary Guarantor and there will be no Subsidiary Guarantor Pledgors. The Company has however agreed that it will pledge the capital stock of certain initial Subsidiary Guarantors within 120 days of the Original Issue Date.

The Collateral securing the Notes and the Subsidiary Guarantees may be released or reduced in the event of certain asset sales and certain other circumstances. In addition, the Company and each Subsidiary Guarantor pledgor may incur certain permitted secured indebtedness which would be secured by the Share Collateral on a pari passu basis with the Notes and the Subsidiary Guarantees.

Ranking of Subsidiary
Guarantee:

The Subsidiary Guarantee of each Subsidiary Guarantor will be a general obligation of such Subsidiary Guarantor, senior in right of payment to all future obligations of such Subsidiary Guarantor expressly subordinated in right of payment to such Subsidiary Guarantee, ranks at least pari passu with all other unsecured, unsubordinated indebtedness of such Subsidiary Guarantor (subject to any priority rights of such unsubordinated indebtedness pursuant to applicable law) and effectively subordinated to secured obligations of such Subsidiary Guarantor, to the extent of the value of the assets serving as security therefor.

Ranking of the Notes:

The Notes will be general obligations of the Company, which are guaranteed by the Subsidiary Guarantors on a senior basis (subject to certain limitations described in the Offering Circular), senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes, at least pari passu in right of payment with all other unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsubordinated indebtedness pursuant to applicable law) and effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries.

Optional redemption:

At any time prior to 8 November 2010, the Company may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes plus an applicable premium to be calculated in accordance with the terms set out in the Indenture as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

At any time on or after 8 November 2010, the Company may redeem the Notes, in whole or in part, at the redemption prices set forth in the Indenture, plus accrued and unpaid interest, if any, to (but not including) the redemption date.

At any time prior to 8 November 2009, the Company may redeem up to 35% of the principal amount of the Notes with the proceeds from certain sales of the Company's capital stock at a redemption price of 112% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date.

Repurchase of Notes upon change of control: Upon the occurrence of a change of control triggering event as described in the Indenture, the Company will make an offer to repurchase all outstanding Notes at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to (but not including) the repurchase date.

Redemption for taxation reasons: Subject to certain exceptions set out in the Indenture, the Company may redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed by the Company for redemption, if the Company or a Subsidiary Guarantor would become obligated to pay certain additional amounts as a result of certain changes in, amendments to, application or interpretation of specified tax laws or certain other circumstances.

Covenants: The Indenture governing the Notes and the Subsidiary Guarantees will limit the ability of the Company and Restricted Subsidiaries to, among other things:

- incur or guarantee additional indebtedness and issue disqualified or preferred stock;
- declare dividends on the Company's capital stock, or purchase or redeem capital stock;
- make investments or other specified restricted payments;
- issue or sell capital stock of Restricted Subsidiaries;
- guarantee indebtedness of Restricted Subsidiaries;
- sell assets;
- create liens;
- enter into sale and leaseback transactions;
- enter into agreements that restrict the Restricted Subsidiaries' ability to pay dividends, transfer assets or make inter-company loans or advances;
- enter into transactions with shareholders or affiliates; and
- effect a consolidation or merger.

These covenants are subject to a number of important qualifications and exceptions described in the Indenture. The Directors are of the view that those qualifications and exceptions are of normal commercial terms comparable to the covenants in substantially similar transactions in the market. Accordingly, the Directors consider that as part of the consideration under the Purchase Agreement, the transactions contemplated under the Purchase Agreement and Indenture are in the interest of the Company and its shareholders as a whole despite the fact that such covenants may have an impact, but not a material impact, on the Company's operation.

Transfer restrictions: The Notes will not be registered under the United States Securities Act or under any state securities laws of the United States and will be subject to customary restrictions on transfer and resale.

Form, denomination and registration:	The Notes will be issued only in fully registered form, without coupons, in minimum denominations of US\$100,000 of principal amount and integral multiples of US\$1,000 in excess thereof and will be initially represented by a global note registered in the name of a nominee of a common depositary for Euroclear and Clearstream. Certificates for the Notes will not be issued in exchange for beneficial interests in the global note. The Notes will be traded on the SGX-ST in a minimum board lot size of US\$200,000 for so long as any of the Notes are listed on the SGX-ST.
Ratings:	The Notes have been rated B2 by Moody's Investors Service, Inc. and B by Standard & Poor's Ratings Services.
Listing:	Approval in-principle has been received for the listing of the Notes on the SGX-ST.
Governing law:	The Notes and the Indenture will be governed by and will be construed in accordance with the laws of the State of New York, the United States.

WARRANTS

A summary of the principal terms of issue of the Warrants as set out below.

Issuer:	The Company.
General:	<p>111,622,500 Warrants, which, when exercised, will entitle the holders thereof to be issued up to an aggregate of 111,622,500 Shares, which would represent approximately 4% of the existing issued share capital of the Company and approximately 3.85% of the share capital of the Company as enlarged by the issue of all potential Warrant Shares.</p> <p>Each Warrant initially will be exercisable for up to one Warrant Share, subject to adjustment in certain circumstances.</p> <p>The Warrant Shares will be issued under the Company's existing general mandate granted by shareholders of the Company in the annual general meeting on 11 September 2007.</p>
Exercise Price:	The Warrants have an initial notional exercise price, subject to reset and adjustment in certain circumstances (the " Exercise Price "), of HK\$2.46 per Share.

The initial notional Exercise Price of HK\$2.46 represents:

- (i) a premium of approximately 8.4% to the closing price per Share of HK\$2.27 as quoted on the Stock Exchange on 30 October 2007 being the last trading day before trading in the Shares were suspended (“**Last Full Trading Day**”);
- (ii) a premium of approximately 9.8% to the average closing price per Share of HK\$2.24 as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including the Last Full Trading Day; and
- (iii) a premium of approximately 10.8% to the average closing price per Share of HK\$2.22 as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Full Trading Day.

Exercise Period: From (and including) the Original Issue Date to (and including) 4:00 p.m. (Hong Kong time) on 8 November 2012.

Expiration: Warrants not previously exercised will expire at 4:00 p.m. (Hong Kong time) on 8 November 2012.

Manner of Exercise: The Warrants will only be exercisable on a cashless basis. The holder so surrendering Warrants for exercise will be entitled to receive a number of Warrant Shares equal to (i) at any time that a Corporate Investment Failure (as defined below) has not occurred, (a) the number of Warrants being exercised times (b) the amount obtained by dividing (x) the excess of the Market Price in effect on the date of exercise over the Exercise Price in effect on the date of exercise by (y) such Market Price, and (ii) at any time after a Corporate Investment Failure Event has occurred, (a) 1.5 times the number of Warrants being exercised times (b) the amount obtained by dividing (x) the excess of the Market Price in effect on the date of exercise over the Exercise Price in effect on the date of exercise by (y) such Market Price. A “**Corporate Investment Failure Event**” shall have occurred if (a) the Placing Agreement is terminated pursuant to the terms thereof or (b) the sale of the Additional Units to the Investor does not happen within 75 days of the date of the Warrant Agreement for any reason. “**Market Price**” means the volume weighted average traded price of the Shares as published in the Daily Quotation sheet of the Stock Exchange or the equivalent quotation sheet of an Alternative Stock Exchange (as defined in the Warrant Agreement) or any successor service for the five (5) Trading Days (as defined in the Warrant Agreement) ending on the Trading Day immediately preceding the date on which the applicable Warrant is exercised. The Warrants will not be exercisable for any Warrant Shares unless the then current Market Price exceeds the then current Exercise Price.

Voting Rights: Holders of the Warrants will not have voting rights in respect of the Warrant Shares.

- Listing:** The Warrants will not be listed on the Stock Exchange or any stock exchange. An application will be made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Warrant Shares to be issued upon the exercise of the Warrants.
- Anti-Dilution:** The exercise price and number of Warrant Shares issuable upon exercise of the Warrants are both subject to adjustment in certain cases set out under “Adjustments” below.
- Reset:** On the first anniversary of the Original Issue Date, the Exercise Price will be reset (the “**Reset Exercise Price**”) to an amount equal to 110% of the Current Market Price of one Share on the trading day immediately preceding the first anniversary of the Original Issue Date (the “**Current Market Price**”) if such Current Market Price is less than the closing price on the Original Issue Date; provided that the Reset Exercise Price shall not be less than 50% of the initial Exercise Price of HK\$2.46 per Share.
- Taking into consideration of the terms of the Purchase Agreement, the Warrant Agreement and the Indenture as a whole, the Directors consider that the terms of the Reset Exercise Price are fair and reasonable to the Company and the shareholders of the Company as a whole.
- Adjustments:** Subject to certain exceptions as set out below in “Exceptions to adjustments”, the Exercise Price will be subject to adjustment in certain events including:
- (i) an alteration of the nominal amount of the Shares by reason of any consolidation or subdivision;
 - (ii) an issue (other than in lieu of a cash dividend) by the Company of Shares credited as fully paid by way of capitalization of profits or reserves (including any share premium account or capital redemption reserve);
 - (iii) a Capital Distribution (as defined in the Warrant Agreement) being made by the Company, whether on a reduction of capital or otherwise, to holders of the Shares (in their capacity as such);
 - (iv) a grant by the Company to the holders of Shares (in their capacity as such) of rights to acquire for cash assets of the Company or any of its subsidiaries;
 - (v) an offer or grant by the Company to the holders of Shares by way of rights or of options or warrants to subscribe for new Shares at a price per new Share which is less than 90% of the Market Price;

- (vi) an issue wholly for cash being made by the Company or any other subsidiary of securities convertible into or exchangeable for or carrying rights or subscription for new Shares, if in any case the total Effective Consideration (as defined in the Warrant Agreement) per Share is less than 90% of the Market Price (calculated as provided in the Warrant Agreement), or the terms of any such issue being altered so that the said total Effective Consideration is less than 90% of such Market Price;
- (vii) an issue being made by the Company wholly for cash or Shares (other than pursuant to a share option scheme), at a price less than 90% of the Market Price; and
- (viii) a cancellation of any Shares repurchased by the Company (other than on the Stock Exchange or any other stock exchange recognized for such purpose) in circumstances where the Directors consider that it may be appropriate to make an adjustment to the Exercise Price.

Exceptions to adjustments

Except in certain limited circumstances, no adjustment will be made to the Exercise Price in respect of:

- (i) an issue of fully paid Shares upon the exercise of any conversion rights attached to securities convertible into Shares or upon the exercise of any rights (including subscription rights) to acquire Shares;
- (ii) an issue of Shares or other securities of the Company or any subsidiary of the Company wholly or partly convertible into, or carrying rights to acquire, Shares to executive Directors or employees of the Company or any subsidiaries or their personal representatives pursuant to a share option scheme;
- (iii) an issue by the Company of Shares or by the Company or any subsidiary of securities wholly or partly convertible into or carrying rights to acquire Shares, in any such case in consideration or part consideration for the acquisition of any other securities, assets or business;
- (iv) an issue of fully paid Shares by way of capitalization of all or part of the capital reserve to be established pursuant to the terms and conditions contained in the Warrant Agreement (or any similar reserve which has been or may be established pursuant to the terms of any other securities wholly or partly convertible into or rights to acquire Shares);

- (v) an issue of Shares in lieu of a cash dividend where an amount not less than the nominal amount of the Shares so issued is capitalized and the Market Value of such Shares is not more than 110% of the amount of dividends which holders of Shares could elect to or would otherwise receive in cash; and
- (vi) the issue of the Warrants.

Any adjustments to the Exercise Price will be calculated to the nearest cent. No adjustment need be made for any of the foregoing transactions if holders of the Warrants are to participate in the transaction on a basis and with notice that the Board determines to be fair and appropriate in light of the basis and notice on which holders of Shares participate in the transaction.

Adjustment if the Additional Units are not sold: In the event that the sale of the Additional Units to the Investor does not happen within 75 days of the Original Issue Date for any reason, the subscription rights under the Warrants and the Warrant Agreement under which they will be issued will be amended to increase the entitlement upon exercise of the Warrants from one Warrant Share per Warrant to 1.5 Warrant Shares per Warrant. Warrants exercised prior to any such amendment will not be entitled to more than one Warrant Share per Warrant.

Governing Law: The Warrants and the Warrant Agreement will be governed by and will be construed in accordance with the laws of the State of New York, the United States.

Transfer Restrictions; Absence of Public Market for the Warrants: The Warrants will not be registered under the Securities Act or under any state securities laws of the United States and will be subject to customary restrictions on transfer and resale. The Warrants will not be offered to the public.

Book Entry: The Warrants will initially be represented by a global Warrant to be registered in the name of a nominee of a common depository of Euroclear and Clearstream. The Warrants will be issued in book-entry form through the facilities of Euroclear and Clearstream.

Warrant Agent: HSBC

A registered holder of Warrants does not have any rights of a shareholder of the Company before exercise of Warrants. Accordingly, a holder has no right on the liquidation of the Company and is not entitled to any dividends or distributions or offer of future securities, before becoming a shareholder.

The closing price of the Shares on 30 October 2007, being the last full trading day prior to this announcement was HK\$2.27 and the exercise price per Warrant Share (subject to adjustment) is HK\$2.46. The Exercise Price represents:

- (a) a premium of approximately 8.4% to the closing price per Share of HK\$2.27 as quoted on the Stock Exchange on the Last Full Trading Day; and

- (b) a premium of approximately 9.8% to the average closing price per Share of HK\$2.24 as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including the Last Full Trading Day.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Purchase Agreement, the Warrant Agreement and the Indenture are on normal commercial terms, and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

THE PLACING AGREEMENT

Date: 30 October 2007

Parties: (1) HSBC
(2) the Investor

Units sold: The Additional Units

Consideration: The Additional Units Purchase Price.

The consideration was arrived at after arm's length negotiations between the parties. The Investor will settle the consideration in cash.

Settlement date: The Additional Units Closing Date.

Conditions of settlement: (1) Completion of the offering of the Units as contemplated by the Offering Circular;
(2) receipt by the Company of the Independent Shareholders' Approval; and
(3) exercise and closing of the Option under the Purchase Agreement.

Termination: If HSBC is unable to exercise the Option in accordance with the Purchase Agreement within five business days following the date the Independent Shareholders' Approval is publicly announced by the Company in accordance with the Listing Rules, or is otherwise unable to close the Option in accordance with the Purchase Agreement, in either case for any reason beyond the reasonable control of HSBC, or the Independent Shareholders' Approval is not received within 60 days from the date of completion of the offering as contemplated by the Offering Circular, either party may terminate the Placing Agreement by written notice to the other party. Upon termination, the rights and obligations of the parties under the Placing Agreement shall lapse and be of no further effect and, in such event, the parties shall be released from such obligations without any liability save as to any antecedent breach occurring before such termination.

Governing law: The Placing Agreement is governed by and construed in accordance with the laws of Hong Kong.

In connection with the Placing Agreement, Coastal International Holdings Limited, a substantial shareholder (as defined in the Listing Rules) of the Company, has given an irrevocable undertaking to HSBC that it shall vote and procure the voting of the Shares held by it as beneficial owner in favour of the resolution to approve the Placing Agreement and the transactions contemplated thereby to be proposed at the SGM.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Placing Agreement are on normal commercial terms, and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE-MONTH PERIOD

The Company has not conducted any fund raising exercise during the past twelve months immediately preceding the date of this announcement.

REASONS FOR AND BENEFITS OF THE ISSUE OF THE UNITS

The Company is a property development company with geographically-diverse properties and development projects in the PRC. To implement its strategies and continue its growth, the Company is seeking additional property acquisitions. The issue of the Notes and the Warrants will provide financial support for the Company's business growth and future development. Having considered the prevailing market conditions, the Company is of the view that the issuance of the Notes and the Warrants is a desirable way for the Company to raise financing and will facilitate the Company to diversify its channels of debt financing. The Company also believes that, as the Notes will be rated by Moody's Investors Service, Inc. and Standard & Poor's Ratings Services, the issuance of the Notes and the Warrants will help the Company to enhance its profile in the debt market.

USE OF PROCEEDS

It is expected that the net proceeds from the offering, after deducting the underwriting discount and other estimated expenses payable in connection with the issue of the Notes and Warrants, will be approximately US\$142 million. The Company intends to use the net proceeds for the following purposes:

- (i) approximately US\$77.5 million to redeem the 2008 Senior Notes; and
- (ii) the remaining balance to be used to finance property acquisitions and for general corporate purposes, including working capital.

Pending application of the net proceeds, the Company intends to invest the net proceeds in certain temporary cash investments.

GENERAL MANDATE

The Warrant Shares will be issued under the general mandate granted to the Directors by a resolution of the shareholders of the Company passed at the annual general meeting on 11 September 2007 (the "AGM") subject to the limit of up to 20% of the issued share capital of the Company as at the date of the AGM, being 558,116,571 Shares (representing 20% of 2,790,582,857 shares of the Company in issue as at the date of the AGM). Up to the date of this announcement, no Shares have been issued under the general mandate.

Immediately after the issue of the Units and assuming full exercise of the Warrants, the general mandate would be utilized by approximately 20%, and thereafter, 446,494,071 Shares, representing approximately 80% of the general mandate remains unutilized.

APPLICATION FOR LISTING

An application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Warrant Shares to be issued upon the exercise of the Warrants.

GENERAL

Effects on shareholding structure

The Company has in issue various rights to require it to issue Shares, being the Other Equity Rights.

The following table shows the effect on the issued share capital of the Company on exercise of the Warrants and Other Equity Rights and assumes no other Shares will be issued at any material time:

	Before issue of the Units		Immediately after issue of the Units but before exercise of any Warrants and Other Equity Rights		Immediately after issue of the Units and full exercise of the Warrants but before exercise of any Other Equity Rights		Immediately after issue of the Units (with no sale of the Additional Units) and full exercise of the Warrants but before exercise of any Other Equity Rights		Immediately after issue of the Units (with no sale of the Additional Units) and full exercise of the Warrants and full exercise of all Other Equity Rights		Immediately after issue of the Units and full exercise of the Warrants and full exercise of all Other Equity Rights	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Coastal International Holdings Limited and its subsidiaries	1,027,890,527	36.8	1,027,890,527	36.8	1,027,890,527	35.4	1,027,890,527	35.4	1,027,890,527	33.9	1,027,890,527	33.9
Shenzhen Investment Limited	634,092,857	22.7	634,092,857	22.7	671,300,357	23.1	634,092,857	21.8	634,092,857	20.9	671,300,357	22.2
Warrant holders (excluding Shenzhen Investment Limited)	-	-	-	-	74,415,000	2.6	111,622,500	3.8	111,622,500	3.7	74,415,000	2.5
Other Equity Rights holders (Note 1)	-	-	-	-	-	-	-	-	125,940,000	4.2	125,940,000	4.2
Public Shareholders	1,128,599,473	40.4	1,128,599,473	40.4	1,128,599,473	38.9	1,128,599,473	38.9	1,128,599,473	37.3	1,128,599,473	37.3
Total	2,790,582,857	100	2,790,582,857	100	2,902,205,357	100	2,902,205,357	100	3,028,145,357	100	3,028,145,357	100

Note:

- These are share options in respect of Shares which may fall to be issued under the share option scheme of the Company adopted by the Company at its annual general meeting held on 24 September 2002.

The Company has no other convertible securities for the purposes of Rule 15.02(1) of the Listing Rules.

As the Shares to be issued on exercise of Warrants when aggregated with all other equity securities which remain to be issued on exercise of any other subscription rights are not expected to exceed 20% of the issued share capital of the Company at the time when the Warrants are issued, the Company is and will be in compliance with Rule 15.02(1) of the Listing Rules.

Listing Rules Requirements

The Investor is a substantial shareholder (as such term is defined in the Listing Rules) of the Company holding 634,092,857 Shares representing approximately 22.7% of the issued share capital of the Company as at the date of this announcement. Accordingly, the signing of the Placing Agreement constitutes a connected transaction for the Company under Rule 14A.16(5) of the Listing Rules subject to the reporting, announcement and independent shareholders' approval requirements of Chapter 14A of the Listing Rules.

The Board will appoint the Independent Board Committee to consider and advise the independent shareholders of the Company on the terms of the Placing Agreement, an independent financial adviser will be appointed by the Company to advise the Independent Board Committee. A circular containing, among other things, (i) further information on the Placing Agreement; (ii) the recommendation of the Independent Board Committee; (iii) an advice from the independent financial adviser on the terms of the Placing Agreement; (iv) other information on the Company; and (v) a notice convening the SGM will be despatched to shareholders of the Company as soon as practicable in accordance with the Listing Rules.

HSBC and its subsidiaries and associated companies provide a comprehensive range of domestic and international banking and related financial services, principally in the Asia-Pacific region.

The Investor is principally engaged in property development, property investment and management, infrastructure investment and provision of transportation services.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 31 October 2007 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 2 November 2007.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“2008 Senior Notes”	the 9% senior notes due 2008 with a principal amount of US\$77.5 million issued pursuant to the Deed Poll Amended and Restated on 6 July 2006 of the Company
“Additional Units”	500 Units to be issued and sold to HSBC by the Company upon exercise of the Option by HSBC
“Additional Units Closing Date”	10:00 a.m. (London Time) on the same day the Option is exercised and closed under the Purchase Agreement, or on such other date or time as HSBC and the Investor shall agree. It is expected that the date will be 20 December 2007.
“Additional Units Purchase Price”	the purchase price for each Unit stated in the Purchase Agreement, being US\$100,000, multiplied by the number of Additional Units, plus accrued interest from the Original Issue Date of the date of issuance of the Additional Units

“Board”	the board of Directors
“Closing Date”	time and date of payment and delivery for the Notes and Warrants, being at 5:30 p.m., Hong Kong Time, on 8 November 2007, or as otherwise agreed between the parties
“Company”	Coastal Greenland Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited
“Indenture”	the indenture to be entered into among the Company, the Subsidiary Guarantors and HSBC as trustee dated as of the Closing Date, pursuant to which the Notes and the Subsidiary Guarantees are to be issued
“Independent Board Committee”	an independent committee of the Board comprising of the independent non-executive Directors
“Independent Shareholders’ Approval”	the approval of the independent shareholders of the Company to be sought in the SGM for the Placing Agreement and the transactions contemplated thereunder
“Independent Third Party(ies)”	independent third party(ies), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, which is/are independent of the Company and its connected persons
“Initial Purchaser”	HSBC
“Investor”	Shenzhen Investment Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-Guarantor Subsidiaries”	subsidiaries of the Company organized under the laws of the PRC, which are the principal operating subsidiaries of the Company

“Notes”	the US\$150 million principal amount of 12% Guaranteed Senior Notes due 2012 to be issued by the Company
“Offering Circular”	the preliminary offering circular in relation to the issue of the Notes dated 15 October 2007 as supplemented by the preliminary offering circular supplement dated 29 October 2007
“Option”	the option granted to HSBC by the Company in accordance with the terms of the Purchase Agreement, whereby the Company may be required by HSBC to issue and sell to HSBC the Additional Units at the purchase price stated in the Purchase Agreement plus accrued interest, to the date of closing of such issuance and sale
“Original Issue Date”	the date on which the Notes are originally issued under the Indenture
“Other Equity Rights”	share options in respect of Shares which may fall to be issued under the share option scheme of the Company adopted by the Company at its annual general meeting held on 24 September 2002
“PRC”	the People’s Republic of China
“Placing Agreement”	the placing agreement entered into between HSBC and the Investor in relation to the Additional Units on 30 October 2007
“Purchase Agreement”	the purchase agreement entered into between the Company, the Subsidiary Guarantors and HSBC as Initial Purchaser in relation to the Notes and Warrants on 30 October 2007
“Restricted Subsidiaries”	any subsidiary of the Company other than (1) any subsidiary of the Company that at the time of determination shall be designated an unrestricted subsidiary by the Board in the manner provided in the Indenture; and (2) any subsidiary of an unrestricted subsidiary
“Securities Act”	United States Securities Act of 1933, as amended
“SGM”	the special general meeting of the Company to be convened to approve the Placing Agreement and the transactions contemplated thereunder
“Shares”	ordinary shares of HK\$0.10 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Guarantees”	the guarantees of the obligations of the Company under the Indenture by the Subsidiary Guarantors

“Subsidiary Guarantors”	Coastal Realty (China) Company Limited, Coastal Realty Development Co. Limited, Coastal Realty Management Company Limited, Direct Pole Limited, Dragon Gain Investment Limited, Fenhall Development Limited, Fenson Development Limited, Frenwick Development Limited, Globe Gain Limited, Grand Team Development Limited, Greaton Development Limited, Joinwell Investment Limited, Pearl Square Enterprises Limited, Pendle Company Limited, Smooth Land Limited, Tacklemate Investment Limited, Coastal Realty (BVI) Limited, Coastal Realty Consultancy Limited, Kenco Group Limited, and Kings Crown Holdings Ltd., all being subsidiaries of the Company
“Trustee”	HSBC
“Unit(s)”	Units, each consisting of US\$100,000 principal amount of Notes and 74,415 Warrants
“US\$”	United States dollars, the lawful currency of the United States
“Warrant Agreement”	the agreement to be dated the Closing Date and to be entered into between the Company and HSBC as warrant agent
“Warrants”	the 111,622,500 Warrants constituted by an instrument by way of the Warrant Agreement
“Warrant Shares”	the Shares issuable on exercise of the Warrants

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

Hong Kong, 1 November 2007

As at the date of this announcement, the Board comprises Mr. Chan Boon Teong, Mr. Jiang Ming, Mr. Tao Lin, Mr. Cheng Wing Bor, Mr. Lin Chen Hsin, Mr. Wu Xin, Mr. Xin Xiang Dong as executive Directors, Mr. Zheng Hong Qing, Mr. Oliver P. Weisberg, Mr. Hu Aimin, Mr. Zhang Yijun and Mr. Zhang Huaqiao as non-executive Directors and Mr. Tang Lap Yan, Mr. Law Kin Ho and Mr. Wong Kai Cheong as independent non-executive Directors.