
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 stockbroker or other registered dealer in securities, 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 to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee.

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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)

PROPOSED APPOINTMENT OF ADDITIONAL DIRECTORS

A notice convening the special general meeting of Coastal Greenland Limited to be held at Room 3203, 32nd Floor, Admiralty Centre I, 18 Harcourt Road, Hong Kong on Monday, 29 January 2007 at 10:00 a.m. (or any adjournment thereof) is set out on pages 11 to 12 of this circular. Whether or not you intend to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time for holding the meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the special general meeting or any adjourned meeting should you so wish.

12 January 2007

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DEFINITIONS

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

“Appointment of Additional Directors”	the proposed appointment of Mr. Wu Xin, Mr. Xin Xiangdong, Mr. Hu Aimin, Mr. Zhang Yijun and Mr. Zhang Huaqiao as additional Directors
“Board”	the board of Directors
“Bye-laws”	bye-laws of the Company
“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
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	10 January 2007, 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”	Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“SGM” or “Special General Meeting”	special general meeting of the Company to be held at Room 3203, 32nd Floor, Admiralty Centre I, 18 Harcourt Road, Hong Kong on Monday, 29 January 2007 at 10:00 a.m. (or any adjournment thereof), notice of which is set out on pages 11 to 12 of this circular
“Shareholders”	holders of Shares
“Shares”	ordinary shares of HK\$0.10 each in the capital of the Company

DEFINITIONS

“Shenzhen Investment”	Shenzhen Investment Limited, a company listed on the Stock Exchange
“Shum Yip Holdings”	Shum Yip Holdings Company Limited, the holding company of the Shenzhen Investment
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“US\$”	United States dollars, the lawful currency of the United States of America

LETTER FROM THE BOARD



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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

Registered office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Non-executive Directors:

Mr. ZHENG Hong Qing
Mr. Oliver P. WEISBERG
Mr. William F. HARLEY III (alias Mickey Harley)

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

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

Independent non-executive Directors:

Mr. TANG Lap Yan
Mr. LAW Kin Ho
Mr. WONG Kai Cheong

12 January 2007

To the Shareholders

Dear Sir or Madam,

PROPOSED APPOINTMENT OF ADDITIONAL DIRECTORS

INTRODUCTION

The Board proposed to appoint additional Directors to the Board. The purpose of this circular is to provide you with (i) further information on the proposed Appointment of Additional Directors; and (ii) the notice of SGM to be convened and held for the purpose of considering and, if thought fit, approving the necessary resolutions in relation to the proposed Appointment of Additional Directors.

LETTER FROM THE BOARD

APPOINTMENT OF ADDITIONAL DIRECTORS

The Board is pleased to announce that Mr. Wu Xin and Mr. Xin Xiangdong are proposed to be appointed as executive Directors, and Mr. Hu Aimin, Mr. Zhang Yijun and Mr. Zhang Huaqiao are proposed to be appointed as non-executive Directors.

In accordance with Bye-law 86(2), the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or, subject to authorisation by the members in general meeting, as an addition to the existing Board but so the number of Directors so appointed shall not exceed any maximum number determined from time to time by the members in general meeting.

As such, the SGM will be convened to seek the approval from the Shareholders to appoint Mr. Wu Xin, Mr. Xin Xiangdong, Mr. Hu Aimin, Mr. Zhang Yijun and Mr. Zhang Huaqiao as additional Directors.

Particulars relating to Mr. Wu Xin, Mr. Xin Xiangdong, Mr. Hu Aimin, Mr. Zhang Yijun and Mr. Zhang Huaqiao are set out in the Appendix 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 proposed Appointment of Additional Directors. 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.

SGM

A notice convening the SGM to be held at 10:00 a.m. on Monday, 29 January 2007 at Room 3203, 32nd Floor, Admiralty Centre I, 18 Harcourt Road, Hong Kong is set out on pages 11 to 12 of this circular. Resolutions will be proposed at the SGM to approve the proposed Appointment of Additional Directors.

A form of proxy for use at the SGM 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 SGM, 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 26th Floor, Tesbury Centre, 28 Queen's Road East, 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 SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

LETTER FROM THE BOARD

PROCEDURES FOR DEMANDING A POLL AT GENERAL MEETING

Pursuant to Bye-law 66, at any general meeting, a resolution put to the vote of a meeting shall be decided on a show of hands unless voting by way of a poll is required by the rules of the Designated Stock Exchange (as defined in Bye-laws) or (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 shares conferring that right; or
- (e) if required by the rules of the Designated Stock Exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting.

RECOMMENDATION

The Directors consider that the proposed ordinary resolutions for the Appointment of Additional Directors is in the interest of the Company and the Shareholders as a whole and accordingly the Directors recommend the Shareholders to vote in favour of the ordinary resolutions to be proposed at the SGM.

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

The details of the candidates who are proposed to be appointed as additional Directors at the SGM are set out below:

(1) Mr. WU Xin

Mr. WU Xin, aged 40, will be appointed as an executive Director. Mr. Wu is the president of a subsidiary of the Company, Coastal Realty Investment (China) Limited (“Coastal Realty”). Mr. Wu joined Coastal Realty on 1 April 2006 and is responsible for the execution of business strategy and management of the real estate business of the Group in the PRC. Before joining Coastal Realty, Mr. Wu was a director and general manager of Shanghai Fenghwa Group Company Limited, a listed company of the Shanghai Stock Exchange. He was also a director and general manager of two property developers in Xiamen and had over 13 years’ experience in the management of real estate business. He was also a member of the preparation team for setting up a joint-venture bank for Agricultural Bank of China. Mr. Wu graduated from the Tsinghua University in 1988 and the National University of Singapore in 2003 with a bachelor degree in computer science and a master degree in business administration respectively.

Mr. Wu has entered into a service contract with the Group for a term of five years commencing 1 April 2006 for his service as the president of Coastal Realty. Under the service contract, his salary is fixed at RMB150,000 per month, which is determined with reference to his duties and responsibilities with the Group and the Group’s performance and the prevailing market situation. In accordance with the Bye-laws, Mr. Wu will be subject to retirement by rotation and re-election at the Company’s annual general meeting. The salary for Mr. Wu will be reviewed annually by the Board with reference to his duties and responsibilities with the Group, the Group’s performance and the prevailing market situation. Under the service contract, the Group may pay discretionary performance bonus to Mr. Wu on basis as determined by the Board from time to time. Mr. Wu 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. Wu does not have any relationship with any existing Directors, senior management of the Company, substantial Shareholders or the controlling Shareholders (as defined in the Listing Rules). Save as disclosed above, Mr. Wu does not hold any other position in the Company or any subsidiaries of the Company nor any other directorship in listed public companies in the last three years.

(2) Mr. XIN Xiangdong

Mr. XIN Xiangdong, aged 37, will be appointed as an executive Director. Mr. Xin is the general manager of the investment department of the Group. Mr. Xin joined the Group in 1999 and is responsible for investment planning. Before joining the Group, Mr. Xin had over 8 years’ experience in property business sector. He was employed by a property developer in Singapore and responsible for project management and prior to that he held architect position in the Tianjin Architecture Design Institute. Mr. Xin graduated

from the Tianjin Institute of Urban Construction in 1988, the National University of Singapore in 1999 and the University of Reading in 2005 with a bachelor degree in engineering, a master degree in business administration and a master degree in real estate respectively. Mr. Xin is also qualified as a chartered surveyor in the United Kingdom.

Mr. Xin has entered into a service contract with the Group for a term of three years commencing 1 November 2006 for his service as the general manager of the investment department of the Group. Under the service contract, his salary is fixed at RMB25,000 per month, which is determined with reference to his duties and responsibilities with the Group, the Group's performance and the prevailing market situation. In accordance with the Bye-laws, Mr. Xin will be subject to retirement by rotation and re-election at the Company's annual general meeting. The salary for Mr. Xin will be reviewed annually by the Board with reference to his duties and responsibilities with the Group, the Group's performance and the prevailing market situation. Under the service contract, the Group may pay discretionary performance bonus to Mr. Xin on basis as determined by the Board from time to time. Mr. Xin 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. Xin does not have any relationship with any existing Directors, senior management of the Company, substantial Shareholders or the controlling Shareholders. Save as disclosed, Mr. Xin does not hold any other position in the Company or any subsidiaries of the Company nor any other directorship in listed public companies in the last three years.

(3) Mr. HU Aimin

Mr. HU Aimin, aged 57, will be appointed as a non-executive Director. Mr. Hu is the Chairman of Shum Yip Holdings and the Chairman of Shenzhen Investment. He graduated from the Hunan University of China and obtained a master degree in Business Administration. Prior to joining Shum Yip Holdings in April 2003 and being appointed the chairman of board of directors of Shenzhen Investment on 3 June of the same year, he was the secretary-general and chief of administration office of Shenzhen Municipal People's Government, deputy secretary-general of the Shenzhen Municipal Committee, a standing member of district committee of Futian District, Shenzhen Municipality, head of the Organisation Department of Futian District, Shenzhen Municipality, and the director of Leadership Science and Talents Studies Research Office in Hubei (湖北省領導科學與人才研究室) and the assistant executive editor-in-chief of a periodical named Studies on Leadership (領導工作研究). He has over thirty years of experience in administrative management. He is an executive director of Shum Yip Holdings and Shenzhen Investment and a non-executive director of Ping An Insurance (Group) Company of China, Ltd. and Road King Infrastructure Limited, all of which are listed public companies in Hong Kong.

The Company and Mr. Hu will enter into a service contract with the Company for a term of one year for his service as a non-executive Director, which shall be automatically extended for another one year upon expiration of the term of the service contract unless terminated by either party to the service contract, which requires not less than one month's length of notice. In accordance with the Bye-laws, Mr. Hu will be subject to retirement by rotation and re-election at the Company's annual general meeting. Mr. Hu will receive a Director's fee of HK\$10,000 per annum 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. Hu will be 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. Hu that will entitle him to receive any bonus payment from the Company. As at the Latest Practicable Date, Shenzhen Investment is beneficial interested in unlisted senior secured convertible bonds issued by the Company with an aggregate principal amount of US\$40 million at an initial conversion price of HK\$0.7 per Share due 2009 and 162,000,000 Shares. Mr. Hu 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. Hu does not have any relationship with any existing Directors, senior management of the Company, substantial Shareholders or the controlling Shareholders. Save as disclosed, Mr. Hu does not hold any other position in the Company or any subsidiaries of the Company nor any other directorship in listed public companies in the last three years.

(4) Mr. ZHANG Yijun

Mr. ZHANG Yijun, aged 51, will be appointed as a non-executive Director. Mr. Zhang is the president of Shenzhen Investment and Shum Yip Holdings, the holding company of the Shenzhen Investment. He graduated from South China National University in China in 1983 with Bachelor of Philosophy. He is now a senior economist. He holds an EMBA from Shanghai Jiao Tong University. He engaged in research studies of assets and corporate management in Japan from 1991 to 1992, and he attended an on-the-job postgraduate course for Global Economics professionals of Nan Kai University from 1996 to 1998. He joined Shum Yip Holdings in October, 2004. Prior to such date, he was previously the chairman and chief executive of Shenzhen Construction and Investment Holdings Company Limited, deputy general manager of Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd. and the commissioner of Bureau of Supervision of the Shenzhen Municipal Government. Mr. Zhang possesses vast working experience in government and has over 10 years experience in investment and corporate management. He is an executive director of Shum Yip Holdings and Shenzhen Investment and a non-executive director of Road King Infrastructure Limited, all of which are listed public companies in Hong Kong.

The Company and Mr. Zhang will enter into a service contract with the Company for a term of one year for his service as a non-executive Director, which shall be automatically extended for another one year upon expiration of the term of the service contract unless terminated by either party to the service contract, which requires not less than one month's length of notice. In accordance with the Bye-laws, Mr. Zhang will be subject to retirement by rotation and re-election at the Company's annual general meeting. Mr. Zhang will receive a Director's fee of HK\$10,000 per annum 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. Zhang will be 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. Zhang that will entitle him to receive any bonus payment from the Company. As at the Latest Practicable Date, Shenzhen Investment is beneficial interested in unlisted senior secured convertible bonds issued by the Company with an aggregate principal amount of US\$40 million at an initial conversion price of HK\$0.7 per Share due 2009 and 162,000,000 Shares. Mr. Zhang 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. Zhang does not have any relationship with any existing Directors, senior management of the Company, substantial Shareholders or the controlling Shareholders. Save as disclosed, Mr. Zhang does not hold any other position in the Company or any subsidiaries of the Company nor any other directorship in listed public companies in the last three years.

(5) Mr. ZHANG Huaqiao

Mr. ZHANG Huaqiao, 43, will be appointed as a non-executive Director. Mr. Zhang is an executive director and chief operating officer of Shenzhen Investment. Prior to joining Shenzhen Investment in March 2006, he was a managing director and co-head of China research at UBS Securities where he worked for seven years. In the 1980s, he worked at the People's Bank of China in Beijing. Between 1991 and 1994, he was a tenured lecturer of banking and finance at the University of Canberra, Australia. He holds a master of economics from the Australian National University and a master of economics from the Graduate School of the People's Bank of China.

The Company and Mr. Zhang will enter into a service contract with the Company for a term of one year for his service as a non-executive Director, which shall be automatically extended for another one year upon expiration of the term of the service contract unless terminated by either party to the service contract, which requires not less than one month's length of notice. In accordance with the Bye-laws, Mr. Zhang will be subject to retirement by rotation and re-election at the Company's annual general meeting. Mr. Zhang will receive a Director's fee of HK\$10,000 per annum 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.

Zhang will be 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. Zhang that will entitle him to receive any bonus payment from the Company. As at the Latest Practicable Date, Shenzhen Investment is beneficial interested in unlisted senior secured convertible bonds issued by the Company with an aggregate principal amount of US\$40 million at an initial conversion price of HK\$0.7 per Share due 2009 and 162,000,000 Shares. Mr. Zhang 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. Zhang does not have any relationship with any existing Directors, senior management of the Company, substantial Shareholders or the controlling Shareholders. Save as disclosed, Mr. Zhang does not hold any other position in the Company or any subsidiaries of the Company nor any other directorship in listed public companies in the last three years.

There is no information relating to Mr. Wu Xin, Mr. Xin Xiangdong, Mr. Hu Aimin, Mr. Zhang Yijun and Mr. Zhang Huaqiao that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Save as disclosed herein, there are no other matters that need to be brought to the attention of the Shareholders in relation to the appointment of Mr. Wu Xin and Mr. Xin Xiangdong as additional Directors for the capacity of executive Directors and Mr. Hu Aimin, Mr. Zhang Yijun and Mr. Zhang Huaqiao as additional Directors for the capacity of non-executive Directors.

NOTICE OF SGM



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COASTAL GREENLAND LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 1124)

NOTICE IS HEREBY GIVEN that a special general meeting (the “SGM”) of Coastal Greenland Limited (the “Company”) will be held at Room 3203, 32nd Floor, Admiralty Centre I, 18 Harcourt Road, Hong Kong on Monday, 29 January 2007 at 10:00 a.m. for the following purposes:

ORDINARY RESOLUTIONS

1. To appoint Mr. Wu Xin as an additional executive Director.
2. To appoint Mr. Xin Xiangdong as an additional executive Director.
3. To appoint Mr. Hu Aimin as an additional non-executive Director.
4. To appoint Mr. Zhang Yijun as an additional non-executive Director.
5. To appoint Mr. Zhang Huaqiao as an additional non-executive Director.

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

Hong Kong, 12 January 2007

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

NOTICE OF SGM

Notes:

1. A member entitled to attend and vote at the SGM 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 SGM 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.
2. A form of proxy for use at the SGM 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 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the commencement of the SGM 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 SGM or any adjournment thereof, should he so wish.
3. In the case of joint holders of shares, any one of such holders may vote at the SGM, 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 SGM 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.
4. In respect of the proposed resolutions stated above, Mr. Wu Xin, Mr. Xin Xiangdong are proposed to be appointed as additional Directors for the capacity of executive Directors and Mr. Hu Aimin, Mr. Zhang Yijun and Mr. Zhang Huaqiao are proposed to be appointed as additional Directors for the capacity of non-executive Directors pursuant to Bye-law 86(2). Details of the candidates proposed to be appointed as additional Directors are set out in the Appendix to this circular.