

---

## THE 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 transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or 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 on the whole or any part of the contents of this circular.

---



### CONNECTED TRANSACTION AND INCREASE IN AUTHORISED SHARE CAPITAL

*Independent financial adviser to the  
Independent Board Committee and the Independent Shareholders*



---

A letter from the independent committee (the “**Independent Board Committee**”) of the board of directors of the Company is set out on page 12 of this circular. A letter from Optima Capital Limited, the independent financial adviser, containing its advice to the Independent Board Committee and the independent shareholders of the Company is set out on pages 13 to 19 of this circular.

A notice convening a special general meeting of the Company to be held at Suite 1708, 17th Floor, One Exchange Square, 8 Connaught Place, Central, Hong Kong on Monday, 12 November 2007 at 10:00 a.m. is set out on pages 25 to 26 of this circular. A form of proxy for use at the special general meeting is also enclosed with this circular.

Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company’s branch share registrar and transfer office in Hong Kong at Tricor 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 holding of the special general meeting or any adjourned meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the special general meeting if you so wish.

---

# CONTENTS

---

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b> .....	5
<b>Letter from the Independent Board Committee</b> .....	12
<b>Letter of advice from Optima Capital</b> .....	13
<b>Appendix – General information</b> .....	20
<b>Notice of SGM</b> .....	25

---

## DEFINITIONS

---

*In this circular, unless the context requires otherwise, the following expressions shall have the following meanings:*

“AG Coastal”	AG Coastal Ltd., a company incorporated in the British Virgin Islands with limited liability and the holding company of AG Coastal Dalian Ltd.
“AG Shenyang I”	AG Shenyang I (BVI) Limited (previously known as Able Well Assets Limited), a company incorporated in the British Virgin Islands with limited liability and the purchaser to the Goldwide Agreement
“Angelo Gordon”	funds managed by or affiliates of Angelo, Gordon & Co., L.P.
“Bank”	Industrial Bank Co., Ltd. Shenyang Branch, being the lender of the Loan
“Board”	the board of Directors
“Business Days”	a day on which banks in Hong Kong are open for business other than a Saturday or a Sunday
“Coastal Realty Development”	Coastal Realty Development Co. Limited, a company incorporated in Hong Kong, an indirect wholly owned subsidiary of the Company
“Coastal Realty Investment”	Coastal Realty Investment (China) Limited, a company established in the PRC, a direct wholly owned subsidiary 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 Stock Exchange
“connected persons”	has the meaning ascribed to this term under the Listing Rules
“Counter Indemnity”	the deed of counter indemnity dated 3 October 2007 and given by Goldwide to indemnify Coastal Realty Investment all damages and costs which may be suffered or incurred by Coastal Realty Investment pursuant to the Guarantee

---

## DEFINITIONS

---

“Directors”	the directors of the Company
“Goldwide”	Goldwide Group Limited, a company incorporated in the British Virgin Islands with limited liability
“Goldwide Agreement”	the sale and purchase agreement dated 29 June 2007 and entered into between AG Shenyang I, Coastal Realty Development and the Company for the sale and purchase of the Goldwide Sale Shares
“Goldwide Sale Shares”	eight shares of US\$1.00 each in the share capital of Goldwide, representing 80% of the entire issued share capital of Goldwide, which is legally and beneficially owned by Coastal Realty Development before completion of the Goldwide Agreement
“Group”	the Company and its subsidiaries
“Guarantee”	the conditional corporate guarantee dated 28 September 2007 and given by Coastal Realty Investment in favour of the Bank to secure the obligations, indebtedness and liabilities of Project Co I under the Loan
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Increase in Authorised Share Capital”	the proposed increase in authorised share capital of the Company from HK\$300,000,000 divided into 3,000,000,000 Shares to HK\$700,000,000 divided into 7,000,000,000 Shares by creating an additional 4,000,000,000 unissued Shares
“Independent Board Committee”	the independent committee of the Board, comprising the independent non-executive Directors, formed for the purpose of advising Independent Shareholders in relation to the provision of financial assistance
“Independent Shareholders”	Shareholders which are not required to abstain from voting at the general meeting to approve a connected transaction
“Latest Practicable Date”	23 October 2007, being the latest practicable date prior to printing of this circular for ascertaining certain information in this circular

---

## DEFINITIONS

---

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan in the principal sum of RMB200,000,000 to be advanced by the Bank to Project Co I under the Loan Agreement
“Loan Agreement”	the loan agreement dated 28 September 2007 and entered into between the Bank and Project Co I pursuant to which the Bank has agreed to grant to Project Co I the Loan
“Optima Capital”	Optima Capital Limited, a licensed corporation to carry on business in type 6 regulated activity (advising on corporate finance) under the SFO and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Provision of Financial Assistance
“Phase I Project”	phase I development of the Project which consists of above ground gross floor area of not less than 299,400 square metres of amongst other things communal facilities space of not more than 1,000 square metres, residential space and retail space, but excluding parking space and school and hospital space (if any)
“PRC”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Project”	the project for developing mixed-use property known as Shenyang Coastal International Plaza located at the Central Business Center of Hunnan New District, Shenyang, Liaoning Province, PRC
“Project Co I”	沈陽榮天房地產開發有限公司 (Shenyang Rong Tian Real Estate Development Ltd.), a company established in the PRC
“Property”	the land located at the Central Business Center of Hunnan New District, Shenyang, Liaoning Province, PRC
“Provision of Financial Assistance”	the provision of financial assistance by Coastal Realty Investment to AG Shenyang I as contemplated under the Guarantee

---

## DEFINITIONS

---

“Resolution”	the resolution to be passed by the Independent Shareholders at the special general meeting to be convened by the Company to approve the Provision of Financial Assistance
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	a special general meeting of the Company to be convened and held at Suite 1708, 17th Floor, One Exchange Square, 8 Connaught Place, Central, Hong Kong on Monday, 12 November 2007 at 10:00 a.m. to consider and, if thought fit, to approve the Provision of Financial Assistance and the Increase in Authorised Share Capital
“Share Option Scheme”	the share option scheme adopted by the Company on 24 September 2002
“Shareholders”	holders of the shares of HK\$0.10 each in the capital of the Company
“Super Investment”	Super Investment Development Limited, a company incorporated in Hong Kong with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong
“RMB”	Renminbi, the lawful currency for the time being of the PRC
“US\$”	United States dollars, the lawful currency for the time being of the United States of America
“%”	per cent.

*For the purpose of this circular, unless otherwise specified, conversions of RMB into HK\$ are based on the approximate exchange rates of RMB1.00 to HK\$1.00.*

---

## LETTER FROM THE BOARD

---



**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*)

Mr. Tao Lin

Mr. Cheng Wing Bor

Mr. Lin Chen Hsin

Mr. Wu Xin (*Managing Director*)

Mr. Xin Xiangdong

*Non-executive Directors:*

Mr. Zheng Hong Qing

Mr. Oliver P. Weisberg

Mr. Hu Aimin

Mr. Zhang Yijun

Mr. Zhang Huaqiao

*Independent non-executive Directors:*

Mr. Tang Lap Yan

Mr. Law Kin Ho

Mr. Wong Kai Cheong

*Registered office:*

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

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

Suite 1708, 17th Floor

One Exchange Square

8 Connaught Place

Central

Hong Kong

25 October 2007

*To the Shareholders*

Dear Sir or Madam,

### **CONNECTED TRANSACTION AND INCREASE IN AUTHORISED SHARE CAPITAL**

#### **INTRODUCTION**

On 3 October 2007, the Board announced that the Bank and Project Co I has entered into the Loan Agreement pursuant to which the Bank has agreed to grant the Loan in the principal sum of RMB200,000,000 to Project Co I for the development of the Phase I Project. As one of the security for the Loan, Coastal Realty Investment has given the Guarantee in favour of the Bank to secure the obligations, liabilities and indebtedness of Project Co I under the Loan.

---

## LETTER FROM THE BOARD

---

The purpose of this circular is to provide you with details of the Provision of Financial Assistance and the Increase in Authorised Share Capital, the recommendation of the Independent Board Committee and the advice from Optima Capital to the Independent Board Committee and the Independent Shareholders in relation to the Provision of Financial Assistance.

### LOAN AGREEMENT

**Date:** 28 September 2007

**Parties:** (1) The Bank as the lender  
(2) Project Co I as the borrower

The Bank is principally engaged in the provision of commercial banking products and services in the PRC. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, (i) the Bank is a third party independent of the Company and its connected persons; and (ii) the Group has no previous lending transactions with the Bank.

**Principal amount of the Loan:** RMB200,000,000.

**Purpose of the Loan:** To finance the development of Phase I Project to be carried by Project Co I.

**Interest:** Interest is payable monthly in arrears at the base lending rate from time to time quoted by the People's Bank of China for loan with similar terms.

**Repayment:** The principal amount of the Loan shall be repaid by Project Co I to the Bank on the date falling 24 months from the date of the Loan Agreement.

**Security:** The Loan shall be secured by:

- (1) a mortgage over the land use rights of the Property;  
and
- (2) the Guarantee.



---

## LETTER FROM THE BOARD

---

### THE GUARANTEE

- Date:** 28 September 2007
- Parties:** (1) Coastal Realty Investment as the guarantor  
(2) The Bank as the guarantee
- Subject matter:** Under the Guarantee, Coastal Realty Investment has agreed to guarantee in favour of the Bank the obligations, liabilities and indebtedness of Project Co I under the Loan.
- Cap:** The maximum amount of the liabilities of Coastal Realty Investment under the Guarantee is limited to RMB200,000,000.
- Term:** The Guarantee shall be limited for a period of two years commencing from the date of the Loan Agreement.
- Condition precedent:** The Guarantee is conditional upon the passing by the Shareholders who are allowed to vote under the Listing Rules at a special general meeting of the Company to be convened and held of an ordinary resolution to approve the Guarantee and the transactions contemplated thereunder. There is no long stop date for the fulfillment of such condition.
- Fee or interest:** No fee or interest is payable to Coastal Realty Investment by AG Shenyang I for the provision by Coastal Realty Investment of the Guarantee.

### THE COUNTER INDEMNITY

- Date:** 3 October 2007
- Parties:** (1) Goldwide as the indemnifier  
(2) Coastal Realty Investment as the indemnitee
- Subject matter:** Under the Counter Indemnity, Goldwide has agreed to provide an indemnity to indemnify Coastal Realty Investment against all damages or costs which may be suffered or incurred by Coastal Realty Investment pursuant to the Guarantee.

---

## LETTER FROM THE BOARD

---

### REASONS FOR THE PROVISION OF FINANCIAL ASSISTANCE

It was the requirement of the Bank that a guarantee was to be provided by a PRC enterprise as oppose to a foreign enterprise. As such, Coastal Realty Investment was used as the PRC enterprise to provide the Guarantee. To guarantee that the interests of Coastal Realty Investment will not be affected as a result of the provision of the Guarantee, the Counter Indemnity was provided by Goldwide to Coastal Realty Investment, pursuant to which Goldwide will fully indemnify Coastal Realty Investment of the whole amount provided under the Guarantee.

Other than the Guarantee to be provided by Coastal Realty Investment, the Loan is further secured by a mortgage over the land use rights of the Property, the value of which is higher than the Loan. In other words, the Loan is fully collateralised and the Guarantee only acts as a form of further security to the Bank.

The directors of Project Co I have considered other alternative fund raising methods such as issue of new shares and shareholder's loans and consider that the Loan is in the best interests of Project Co I and its shareholder. The Loan will provide finance for the Project without requiring the shareholder of Project Co I to provide further funding in the form of subscription of new shares of Project Co I or shareholder's loans.

Taking into account the reasons for the Provision of Financial Assistance as described above, the Board is of the view that the terms of the Provision of Financial Assistance are (i) fair and reasonable and are in the interests of the Company and the Shareholders as a whole; and (ii) under normal commercial terms.

### LISTING RULES IMPLICATIONS

AG Shenyang I is principally engaged in investment holding. The holding company of AG Shenyang I is Angelo Gordon.

AG Shenyang I and AG Coastal are wholly owned by Angelo Gordon. As AG Shenyang I is an associate of AG Coastal and AG Coastal is interested in 50% of the entire issued share capital of Super Investment, an indirectly non-wholly owned subsidiary of the Company, AG Shenyang I is a connected person of the Company.

Coastal Realty Development is an indirect wholly owned subsidiary of the Company incorporated in Hong Kong and is principally engaged in investment holding. Coastal Realty Investment is a direct wholly owned subsidiary of the Company established in the PRC and is principally engaged in investment holding.

Pursuant to the Goldwide Agreement, AG Shenyang I has agreed to acquire and Coastal Realty Development has agreed to sell the Goldwide Sale Shares, representing 80% of the entire issued share capital of Goldwide. Completion of the Goldwide Agreement took place on 7 September 2007.

---

## LETTER FROM THE BOARD

---

As at the Latest Practicable Date, the entire issued share capital of Goldwide was beneficially owned as to 20% by Coastal Realty Development and 80% by AG Shenyang I.

The Guarantee was given by Coastal Realty Investment in favour of the Bank to secure the obligations, liabilities and indebtedness of Project Co I, in which Coastal Realty Development has an equity interest of 20%. The provision of Guarantee by Coastal Realty Investment would constitute provision of financial assistance to AG Shenyang I which is interested in 80% of the entire issued share capital of Goldwide and the Provision of Financial Assistance by the Group to AG Shenyang I would constitute a connected transaction under Rule 14A.13 of the Listing Rules and is subject to reporting, announcement and Independent Shareholders' approval requirement.

Pursuant to Chapter 14A of the Listing Rules, AG Coastal and its associates are required to abstain from voting for the Resolution. As at the Latest Practicable Date, AG Coastal and its associates are not interested in any Share. As such, no Shareholder is required to abstain from voting for the Resolution.

### **INDEPENDENT BOARD COMMITTEE**

The Independent Board Committee, comprising Mr. Tang Lap Yan, Mr. Law Kin Ho and Mr. Wong Kai Cheong, all being independent non-executive Directors, has been established to consider and advise the Independent Shareholders in respect of the fairness and reasonableness of the terms of the Provision of Financial Assistance. Optima Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the terms of the Provision of Financial Assistance.

### **INCREASE IN AUTHORISED SHARE CAPITAL**

The Directors propose to increase the authorised share capital of the Company from HK\$300,000,000 divided into 3,000,000,000 Shares to HK\$700,000,000 divided into 7,000,000,000 Shares by creating an additional 4,000,000,000 unissued Shares.

### **SGM**

Set out on pages 25 to 26 is a notice convening the SGM to be held at Suite 1708, 17th Floor, One Exchange Square, 8 Connaught Place, Central, Hong Kong on Monday, 12 November 2007 at 10:00 a.m. at which relevant resolutions will be proposed to the Shareholders to consider and, if thought fit, approve the Provision of Financial Assistance and the Increase in Authorised Share Capital. The voting on the Resolution will be taken by way of poll.

---

## LETTER FROM THE BOARD

---

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong at Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as practicable but in any event not later than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return the form of proxy will not preclude you from attending and voting in person at the SGM should you so wish.

### PROCEDURE FOR DEMANDING A POLL AT GENERAL MEETING

The procedures by which the Shareholders may demand a poll at the SGM are set out as follows.

According to bye-law 66 of the bye-laws of the Company, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded. A poll may be demanded by:

- (a) the chairman of the meeting; or
- (b) 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) 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) 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 in the Company 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; or
- (e) if required by the Listing Rules, any Directors holding proxies if such aggregate proxies held individually or collectively by the Directors account for 5% or more of the total voting rights at that meeting, and if on a show of hands in respect of any resolution, the meeting votes in the opposition manner to that instructed in those proxies.

---

## LETTER FROM THE BOARD

---

### RECOMMENDATION

The Board considers that the terms of the Increase in Authorised Share Capital are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Board recommends the Shareholders to vote in favour of the resolution as set out in the notice of SGM.

The Board also considers that the terms of the Provision of Financial Assistance are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Independent Shareholders to vote in favour of the Resolution as set out in the notice of SGM.

Your attention is drawn to (i) the letter from the Independent Board Committee set out on page 12 of this circular which contains its views in relation to the Provision of Financial Assistance; and (ii) the letter from Optima Capital, which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Provision of Financial Assistance and the principal factors and reasons considered by it in arriving at its opinions. The text of the letter from Optima Capital is set out on pages 13 to 19 of this circular.

The Independent Board Committee, having taken into account the advice of Optima Capital, considers that the Provision of Financial Assistance was entered into on normal commercial terms, in the ordinary and usual course of business and that the terms of the Provision of Financial Assistance are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendix to this circular.

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

---

# LETTER FROM THE INDEPENDENT BOARD COMMITTEE

---



**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)

25 October 2007

*To the Independent Shareholders*

Dear Sir or Madam,

## CONNECTED TRANSACTION

We refer to the circular of the Company dated 25 October 2007 (the “**Circular**”) to the Shareholders, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

We have been appointed by the Board as members to form the Independent Board Committee and to advise you the terms of the Provision of Financial Assistance whether such terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Optima Capital has been appointed to advise the Independent Board Committee and the Independent Shareholders as to whether (i) the Provision of Financial Assistance was entered into on normal commercial terms and is in the ordinary and usual course of business; and (ii) the terms of the Provision of Financial Assistance are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. Details of its advice, together with the principal factors taken into consideration in arriving at such advice, is set out on pages 13 to 19 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 5 to 11 of the Circular and the additional information set out in the appendix of the Circular.

Having considered the terms of the Provision of Financial Assistance and the advice of Optima Capital, we are of the opinion that (i) the Provision of Financial Assistance was entered into on normal commercial terms and is in the ordinary and usual course of business; and (ii) the terms of the Provision of Financial Assistance are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

Yours faithfully,  
Independent Board Committee of  
**Coastal Greenland Limited**

**Tang Lap Yan**  
*Independent non-executive Director*

**Law Kin Ho**  
*Independent non-executive Director*

**Wong Kai Cheong**  
*Independent non-executive Director*

---

## LETTER OF ADVICE FROM OPTIMA CAPITAL

---

*The following is the text of a letter of advice from Optima Capital to the Independent Board Committee and Independent Shareholders, which has been prepared for the purpose of incorporation into the circular, setting out its advice to the Independent Board Committee and Independent Shareholders in connection with the Provision of Financial Assistance.*



Unit 3618, 36th Floor  
Bank of America Tower  
12 Harcourt Road, Central  
Hong Kong

25 October 2007

*To: Independent Board Committee and the Independent Shareholders*

Dear Sirs,

### CONNECTED TRANSACTION

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the Provision of Financial Assistance. Details of the Provision of Financial Assistance are set out in the “Letter from the Board” contained in the circular dated 25 October 2007 to the Shareholders (the “Circular”), of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

On 3 October 2007, the Company announced that on 28 September 2007, the Bank and Project Co I entered into the Loan Agreement pursuant to which the Bank agreed to grant the Loan in the principal sum of RMB200,000,000 to Project Co I for the development of the Phase I Project. As one of the security of the Loan, Coastal Realty Investment, a wholly owned subsidiary of the Company, agreed to give the Guarantee in favour of the Bank to secure the obligations, liabilities and indebtedness of Project Co I under the Loan. As at the Latest Practicable Date, the registered and paid up capital of Project Co I was legally and beneficially owned by Goldwide, which was in turn legally and beneficially owned as to 80% by AG Shenyang I and 20% by Coastal Realty Development.

AG Shenyang I and AG Coastal are wholly owned by Angelo Gordon. Pursuant to the Listing Rules, AG Shenyang I is an associate of AG Coastal and AG Coastal is interested in 50% of the entire issued share capital of Super Investment, an indirectly non-wholly owned subsidiary of the Company. AG Shenyang I is therefore a connected person of the Company. The provision of the Guarantee by Coastal Realty Investment constitutes provision of financial assistance by the Group to AG Shenyang I and therefore, constitutes a connected transaction of the Company under Rule 14A.13 of the Listing Rules and is subject to Independent Shareholders’ approval.

---

## LETTER OF ADVICE FROM OPTIMA CAPITAL

---

The Independent Board Committee comprising Mr. Tang Lap Yan, Mr. Law Kin Ho and Mr. Wong Kai Cheong, all being independent non-executive directors, has been formed to advise the Independent Shareholders as to the fairness and reasonableness of the Provision of Financial Assistance. Optima Capital Limited has been appointed to advise the Independent Board Committee and the Independent Shareholders in connection with Provision of Financial Assistance and in particular as to whether the Provision of Financial Assistance is fair and reasonable and to give an opinion and recommendation in this regard.

In formulating our opinion and advice, we have relied on the information and facts supplied, and the opinions expressed, by the Directors, which we have assumed to be true, accurate and complete. We have also sought and received confirmation from the Directors that no material facts have been omitted from the information supplied. We consider that the information which we have received is sufficient to enable us to reach our opinion and give the advice set out in this letter. We have no reason to doubt the truth and accuracy of the information provided to us or to believe that any material facts have been omitted or withheld. We have also assumed that all representations contained or referred to in the Circular were true at the date of the Circular. However, we have not conducted any independent investigation into the businesses and affairs of the Group.

### **PRINCIPAL FACTORS AND REASONS CONSIDERED**

In formulating our opinion with regard to the Provision of Financial Assistance, we have taken into consideration the following principal factors and reasons:

#### **1. Background of Phase I Project**

The purpose of the Loan is to finance the development of Phase I Project to be carried out by Project Co I. The Phase I Project involves the construction work of a total gross floor area (“GFA”) of not less than 299,400 sq.m., which is part of the project for developing a multiple-use property known as Shenyang Coastal International Plaza to be located at Central Business Center of Hunnan New District, Shenyang, Liaoning Province in the PRC. As advised by the Company, although the Phase I Project has commenced in mid September 2007, due to insufficient working capital, the progress has been slowed. There is an imminent need for working capital for the project because any delay of the financing will not only delay the whole development project which is scheduled to be completed by the end of 2010 but also the Company’s receipt of income and/or sales proceeds from the developed properties. The successful development and sale of the developed properties will enhance the sales revenue of Project Co I which will in turn enhance the Company’s share of the revenue. In view of the imminence of the project, the financing should be obtained as soon as possible and we consider that it is in the interests of the Company for Project Co I to enter into the Loan Agreement to avoid further delay of the development.



---

## LETTER OF ADVICE FROM OPTIMA CAPITAL

---

### 2. Principal Terms of the Loan Agreement and the Guarantee

#### (a) *Loan Agreement*

Date:	28 September 2007
Borrower:	Project Co I
Lender:	The Bank
Principal amount:	RMB200,000,000
Interest:	Payable monthly in arrears at the base lending rate from time to time quoted by the People's Bank of China for loan with similar terms
Repayment:	The principal amount shall be repaid on the date falling 24 months from the date of the Loan Agreement
Security:	The Loan shall be secured by (1) a mortgage over the land use rights of the Property and (2) the Guarantee

As mentioned above, pursuant to the Loan Agreement, the Loan shall be secured by the Guarantee. As informed by the Company, the Bank required a PRC enterprise to provide guarantee for the Loan. As such, Coastal Realty Investment, a wholly owned subsidiary of the Company established in the PRC, was selected to provide the Guarantee with key terms as set out below.

#### (b) *The Guarantee*

Date:	28 September 2007
Guarantor:	Coastal Realty Investment
Guarantee:	The Bank
Cap:	The maximum amount of the liabilities under the Guarantee is limited to RMB200,000,000
Term:	A period of two years commencing from the date of the Loan Agreement

Under the Guarantee, Coastal Realty Investment agreed to guarantee in favour of the Bank the obligations, liabilities and indebtedness of Project Co I under the Loan. The Directors believe that it is a market practice and a normal commercial arrangement for

---

## LETTER OF ADVICE FROM OPTIMA CAPITAL

---

financial institutions to demand corporate guarantee to support the granting of loan facility. We consider such arrangement not unusual for commercial lending and borrowing activities. The Group is principally engaged in the property development, property investment and provision of property management services. As advised by the Company, the Group provides corporate guarantees to banks to secure banking facilities during its course of business operation. As set out in the annual report of the Company, the contingent liabilities of the Group in respect of guarantees given to banks in connection with banking facilities amounted to approximately HK\$890 million as at 31 March 2007. On this basis, we consider the Provision of Financial Assistance is in the ordinary and usual course of business of the Group.

### **Mortgage:**

In addition to the Guarantee provided by Coastal Realty Investment, the Loan is also secured by a mortgage over the land use rights of the Property, the value of which is higher than the Loan. According to the valuation report of the Property dated 7 September 2007 prepared by an independent valuer (the “Valuer”) and for the purpose of granting the Loan as requested by the Bank, the land use rights of the Property were granted by the Shenyang Land Resources Bureau to Project Co I for terms to expire on 10 April 2056 for residential use. The estimated value of the Property as at 3 September 2007 was RMB342,114,000 which is higher than the principal amount of the Loan by more than 1.5 times. We have discussed with the Valuer the principal bases and assumptions of the valuation. We understand the Valuer has adopted a residual methodology and cross-referenced with the direct comparison approach to value the Property. The residual approach of valuation requires an assessment of the gross development value of the proposed development. The costs of development, which include construction costs, professional fees, finance costs on construction, marketing costs of the completed development, are then deducted from the gross development value. The resultant figure is the residual value, i.e. the value of the Property. We consider that the valuation methodology adopted by the Valuer is in line with common market practice.

We have also assessed the property market in China, in particular, Shenyang. Set out below are the price indices of Real Estate in China and Shenyang for the period between 2003 and 2005 as quoted from the National Bureau of Statistics of China.

Year	Selling Price Indices of Houses		Transactions Price Indices of Land	
	China	Shenyang	China	Shenyang
2003	104.8	107.6	108.3	116.1
2004	109.7	115.9	110.1	116.2
2005	107.6	107.5	109.1	111.4

*(benchmark index of preceding year = 100)*

---

## LETTER OF ADVICE FROM OPTIMA CAPITAL

---

As shown in the table, the selling price indices of houses show an increase from the benchmark indices in preceding years from 2003 to 2005 for both China and Shenyang. The rises in price indices to a certain extent reflect the growth of the property market in China in general. In fact, the table also indicates the increasing trend of selling prices of houses in Shenyang which is in line with the development of the entire property market of the country. Besides, the transactions price indices of land in China and Shenyang are also increasing over the past few years. The growth in Shenyang was a bit higher than that of the entire country and recorded a double digit percentage increase from 2003 to 2005. In addition, according to an announcement made by the National Bureau of Statistics of China on 19 September 2007, the national real estate climate index in August 2007 was 104.48, which is 0.48 and 1.17 higher than July 2007 and the same period in 2006 respectively. The total investment in real estate development from January to August 2007 valued at RMB1,427.7 billion, surging 29% from the same period last year. Thus, the real estate and property market in China are evidenced to grow prosperously. Based on the above market information, we do not expect that there will be a substantial downturn in the property market of China and Shenyang in near future.

On the above basis, we concur with the Directors that the value of the Property is sufficient to secure the Loan. In other words, the Loan is fully collateralized. We consider that the Guarantee, to a large extent, only acts as a form of additional security to the Bank.

### **3. The Counter Indemnity**

As a measure of protecting the interests of Coastal Realty Investment from potential liabilities caused by the provision of the Guarantee, Coastal Realty Investment entered into the Counter Indemnity with Goldwide pursuant to which Goldwide will fully indemnify Coastal Realty Investment of the whole amount provided under the Guarantee. According to the Counter Indemnity, Goldwide agreed to indemnify and at all times keep the Coastal Realty Investment fully and effectually indemnified against all claims, damages, losses, costs, expenses, actions and proceedings which may be made or instituted against or incurred by the Coastal Realty Investment pursuant to the Guarantee.

The sole asset of Goldwide is its interests in Project Co I, the principal asset of which is the Phase I Project which is currently under development. The Counter Indemnity provides an additional measure of security to Coastal Realty Investment and, to a certain extent, can safeguard the interests of Coastal Realty Investment which will be indemnified by Goldwide all the relevant claims and costs arising from the provision of the Guarantee.

### **4. Funds generated by Phase I Project**

According to the current construction plan and taking into account the drawn down of the Loan, the Phase I Project can be completed in accordance with the timetable and the Directors are of the view that the developed properties will generate sufficient cash proceeds to repay the Loan. We have reviewed the budget and business plan of the Phase I Project and discussed with the Directors the bases and assumptions of the budget. The estimation of sales revenue depends very much on the progress of presale and the selling prices of the properties. We have reviewed

---

## LETTER OF ADVICE FROM OPTIMA CAPITAL

---

the latest selling prices of certain residential and commercial property developments in Shenyang. We notice that the selling prices adopted in the budget are in line with the current market rates we researched and those adopted by the Valuer in valuing the Property.

The Directors advised that the estimated total construction cost for the Phase I Project will be approximately RMB777 million whereas the total sales revenue will be approximately RMB2,178 million. Based on the business plan of Project Co I, presale of developed properties is planned to start in June 2008. At the maturity of the Loan (i.e. September 2009), the estimated sales revenue is expected to reach approximately RMB1,091 million while the construction cost will be approximately RMB579 million. The expected available working capital will amount to approximately RMB512 million which exceeds the principal amount of the Loan by more than two times. Based on the above, we consider that the Phase I Project is expected to generate sufficient cash proceeds to repay the Loan at maturity.

Shareholders should note that monthly interest expense of approximately RMB1.3 million will be incurred for the Loan assuming that the interest rate on average over the Loan period will be around 7.2%. Pursuant to the Loan Agreement, the interest payable is based on the lending rate from time to time quoted by the People's Bank of China for loans with similar terms. According to the information provided by People's Bank of China, the benchmark lending rate for loans with maturity between one to three years is 7.47% as at 15 September 2007.

Shareholders should note that a further rise in interest rates will have negative impact on the interest cost of the Phase I Project and thus, the estimated funds available for repayment may be lower than expected. Shareholders should also note that Project Co I and hence the Coastal Realty Investment will face a higher risk in the event of a change of timing of the sale of the developed properties for unexpected reasons, restricting the ability of Project Co I to generate sufficient sales revenue to meet its Loan obligations.

### **5. Financing Alternatives**

#### *(a) Project Co I*

We are advised that the directors of Project Co I have considered other alternative fund raising methods such as issue of new shares and shareholder's loans and consider that the Loan is in the best interests of Project Co I and its shareholder. The Loan will provide finance for the Phase I Project without requiring the shareholders of Project Co I to provide further funding in the form of subscription of new shares of Project Co I or shareholder's loans. We consider financing construction with bank loans is a common market practice and is a typical way of project financing for construction projects.

---

## LETTER OF ADVICE FROM OPTIMA CAPITAL

---

(b) *The Company*

The Directors have considered other alternatives to provision of the Guarantee such as granting of shareholders' loan. The Directors considered these options not very desirable as it would require immediate liquidity from the Company and utilize the internal resources of the Company directly. Given the availability of the Loan granted by the Bank on reasonable commercial terms, we concur with view of the Directors that the provision of the Guarantee is preferred to the granting of shareholders' loan.

### RECOMMENDATION

Having taken into account the principal factors and reasons as discussed above, and in particular,

- (i) that the Guarantee can avoid further delay of the Phase I Project and the successful development and sale of the developed properties will enhance the sales revenue of Project Co I which will in turn enhance the share of revenue for the Company;
- (ii) that the provision of the Guarantee is a market practice and the arrangement is on normal commercial terms;
- (iii) that the Guarantee only act as an additional security for the Bank as the Loan is fully collateralized by the Property;
- (iv) that the Counter Indemnity can provide Coastal Realty Investment with indemnity against potential liabilities due to the Guarantee;
- (v) that the sales proceeds of the developed properties is expected to generate sufficient funds for the repayment of the Loan upon its maturity; and
- (vi) that no better alternatives available in view of the imminence of the Phase I Project,

we consider that the Provision of Financial Assistance is on normal commercial terms, in the ordinary and usual course of business, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we would recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to approve the Provision of Financial Assistance.

Yours faithfully,  
for and on behalf of  
**OPTIMA CAPITAL LIMITED**  
**Mei H. Leung**  
*Chairman*

## 1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the issuer. 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.

## 2. DISCLOSURE OF INTERESTS

### Director's interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, were as follows:

Name of director	Number or attributable number of shares held or short positions	Number or attributable number of underlying shares held or short positions	Capacity		Approximate percentage or attributable percentage of shareholding (%)
			Beneficial owner	Interest of controlled corporation	
Chan Boon Teong (Notes 1, 2, 3 & 4)	1,034,290,527 (L)	10,000,000 (L)	16,400,000 (L)	1,027,890,527 (L)	37.42
Jiang Ming (Notes 1, 2, 3 & 5)	1,034,290,527 (L)	10,000,000 (L)	16,400,000 (L)	1,027,890,527 (L)	37.42
Tao Lin (Notes 1, 2, 3 & 6)	1,027,890,527 (L)	10,000,000 (L)	10,000,000 (L)	1,027,890,527 (L)	37.19
Cheng Wing Bor (Notes 1, 2, 3 & 7)	1,034,290,527 (L)	10,000,000 (L)	16,400,000 (L)	1,027,890,527 (L)	37.42
Lin Chen Hsin (Notes 1, 2, 3 & 8)	1,029,970,527 (L)	2,500,000 (L)	4,580,000 (L)	1,027,890,527 (L)	37.00
Wu Xin	-	6,000,000 (L)	6,000,000 (L)	-	0.22

Name of director	Number or attributable number of shares held or short positions	Number or attributable number of underlying shares held or short positions	Capacity		Approximate percentage or attributable percentage of shareholding (%)
			Beneficial owner	Interest of controlled corporation	
Xin Xiangdong	-	4,000,000 (L)	4,000,000 (L)	-	0.14
Hu Aimin	-	6,000,000 (L)	6,000,000 (L)	-	0.22
Zhang Yijun	-	6,000,000 (L)	6,000,000 (L)	-	0.22
Zhang Huaqiao	-	6,000,000 (L)	6,000,000 (L)	-	0.22
Tang Lap Yan	-	2,500,000 (L)	2,500,000 (L)	-	0.09
Law Kin Ho	-	2,000,000 (L)	2,000,000 (L)	-	0.07
Wong Kai Cheong	-	2,000,000 (L)	2,000,000 (L)	-	0.07

*L: Long Position*

*Notes:*

- 497,600,000 Shares are beneficially owned by Coastal International Holdings Limited (“CIH”), of which the entire issued voting share capital is held as to 20% by Chan Boon Teong, 35% by Jiang Ming, 12% by Tao Lin, 5% by Cheng Wing Bor, 3% by Lin Chen Hsin and 25% by Great Scope Investments Limited (the entire issued voting share capital of which is held by Jiang Ming). These 497,600,000 Shares represent an aggregate of 17.83% of the issued share capital of the Company.
- 46,080,000 Shares are beneficially owned by Glory View Investments Limited, of which the entire issued voting share capital is held by CIH. The issued voting share capital of CIH is held in the manner as stated in the foregoing note 1. These 46,080,000 Shares represent an aggregate of 1.65% of the issued share capital of the Company.
- 484,210,527 Shares are beneficially owned by Coastal Enterprise Group Limited, of which the entire issued voting share capital is held by CIH. The issued voting share capital of CIH is held in the manner as stated in the foregoing note 1. These 484,210,527 Shares represent an aggregate of 17.35% of the issued share capital of the Company.
- The interests in 16,400,000 Shares represent 6,400,000 Shares beneficially owned by Chan Boon Teong and 10,000,000 Shares to be allotted and issued upon the exercise of the share options granted to Chan Boon Teong under the Share Option Scheme.
- The interests in 16,400,000 Shares represent 6,400,000 Shares beneficially owned by Jiang Ming and 10,000,000 Shares to be allotted and issued upon the exercise of the share options granted to Jiang Ming under the Share Option Scheme.
- The interests in 10,000,000 Shares represent 10,000,000 Shares to be allotted and issued upon the exercise of the share options granted to Tao Lin under the Share Option Scheme.
- The interests in 16,400,000 Shares represent 6,400,000 Shares beneficially owned by Cheng Wing Bor and 10,000,000 Shares to be allotted and issued upon the exercise of the share options granted to Cheng Wing Bor under the Share Option Scheme.
- The interests in 4,580,000 Shares represent 2,080,000 Shares beneficially owned by Lin Chen Hsin and 2,500,000 Shares to be allotted and issued upon the exercise of the share options granted to Lin Chen Hsin under the Share Option Scheme.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

### 3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

### 4. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has given opinions or advices which are contained in this circular:

<b>Name</b>	<b>Qualification</b>
Optima Capital	A licensed corporation to carry on business in type 6 regulated activity (advising on corporate finance) under the SFO

Optima Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and references to its name in the form and context in which it appears.

As at the Latest Practicable Date, Optima Capital does not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

### 5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors nor their respective associates had any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.



## 6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

## 7. MATERIAL ADVERSE CHANGE

Save as disclosed herein, the Directors are not aware of any material adverse change in the financial position or trading position of the Group since 31 March 2007, being the date to which the latest published audited financial statements of the Group was made up.

## 8. MISCELLANEOUS

- (a) There is no contract or arrangement entered into by any member of the Group subsisting at the date of this circular in which any Director is materially interested and which is significant to the business of the Group.
- (b) As at the Latest Practicable Date, none of Optima Capital and any Directors had any direct or indirect interest in any assets which had been acquired, disposed of by or leased to, or which were proposed to be acquired, disposed of by or leased to, any member of the Group since 31 March 2007, the date to which the latest published audited consolidated financial statements of the Group were made up.
- (c) The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The head office and principal place of business of the Company in Hong Kong is located at Suite 1708, 17th Floor, One Exchange Square, 8 Connaught Place, Central, Hong Kong. The branch share registrar and transfer office in Hong Kong of the Company is Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (d) The company secretary of the Company is Mr. Cheng Wing Bor. He has over 20 years' experience in accounting and auditing. He holds a professional diploma in accountancy from the Hong Kong Polytechnic and is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow of the Association of Chartered Certified Accountants, United Kingdom. Before joining the Group in 1994, he worked in an international accounting firm in Hong Kong for 8 years.
- (e) The qualified accountant of the Company is Mr. Fung See Man. Mr. Fung is an associate member of the Hong Kong Institute of Certified Public Accountants.
- (f) In the event of inconsistency, the English texts of this circular and the accompanying form of proxy shall prevail over their respective Chinese texts.

**9. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be made available for inspection during normal business hours at the head office and principal place of business in Hong Kong of the Company at Suite 1708, 17th Floor, One Exchange Square, 8 Connaught Place, Central, Hong Kong from the date of this circular up to and including 12 November 2007 and at the SGM:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the Counter Indemnity;
- (c) the Goldwide Agreement;
- (d) the Guarantee;
- (e) the Loan Agreement;
- (f) the letter from the Independent Board Committee, the text of which is set out on page 12 this circular;
- (g) the written consent from the expert referred to in the paragraph headed “Qualification and consent of expert” in this appendix; and
- (h) the letter of advice from Optima Capital to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 13 to 19 in this circular.

---

# NOTICE OF SGM

---



**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)

**NOTICE IS HEREBY GIVEN** that a special general meeting (the “**Meeting**”) of Coastal Greenland Limited (the “**Company**”) to be held at Suite 1708, 17th Floor, One Exchange Square, 8 Connaught Place, Central, Hong Kong on Monday, 12 November 2007 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions:

## ORDINARY RESOLUTIONS

1. “**THAT**

- (a) the conditional corporate guarantee (the “**Guarantee**”, a copy of which has been produced at the Meeting and signed by the chairman of the Meeting for the purpose of identification) dated 28 September 2007 and given by Coastal Realty Investment (China) Limited (“**Coastal Realty Investment**”), a direct wholly owned subsidiary of the Company, in favour of Industrial Bank Co., Ltd. Shenyang Branch to secure the obligations, indebtedness and liabilities of 沈陽榮天房地產開發有限公司 (Shenyang Rong Tian Real Estate Development Ltd.) under the loan in the principal sum of RMB200,000,000 and the transactions contemplated thereunder, be and are hereby approved;
- (b) the provision of financial assistance (the “**Provision of Financial Assistance**”) by Coastal Realty Investment to AG Shenyang I (BVI) Limited as contemplated under the Guarantee, be and are hereby approved; and
- (c) the directors (the “**Directors**”) of the Company be and are hereby authorised to do all other acts and things and execute all documents which they consider necessary or expedient for the implementation of and giving effect to the Guarantee, the Provision of Financial Assistance and the transactions contemplated thereunder.”

2. “**THAT**

- (a) the authorised share capital of the Company be and is hereby increased from HK\$300,000,000 divided into 3,000,000,000 shares of HK\$0.10 each (each a “**Share**”) to HK\$700,000,000 divided into 7,000,000,000 Shares by the creation of an additional 4,000,000,000 Shares (the “**Increase in Authorised Share Capital**”); and

---

## NOTICE OF SGM

---

- (b) any one or more of the Directors be and is/are hereby authorised for and on behalf of the Company to execute all such documents, instruments and agreements and to do all such acts or things deemed by him/them to be incidental to, ancillary to or in connection with the matters contemplated in and for completion of the Increase in Authorised Share Capital.”

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

Hong Kong, 25 October 2007

*Registered office:*  
Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

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

*Notes:*

1. A member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more than one proxy to attend and, subject to the provisions of the bye-laws of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the meeting 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 meeting is enclosed. 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 notarially certified copy of such power or authority, at the offices of the Company's branch share registrar and transfer office in Hong Kong, Tricor 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 holding the meeting 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 above meeting 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 meeting, either personally or by proxy, in respect of such shares as if he was solely entitled thereto, but if more than one of such joint holders are present at the meeting personally or by proxy, that one of the said persons so present whose name stands first in the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.