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## ISSUE OF NOTES AND CONVERTIBLE BONDS

The Company announced in the Second Announcement that the Firm Bonds would be issued to Mellon HBV Master Fund and Mellon HBV Master Leveraged Fund as nominated by Mellon HBV.

Further to the Second Announcement, Mellon HBV has notified the Company on the date of this announcement that Mellon HBV has changed its nomination for the Firm Bonds and has nominated Mellon HBV Master Fund as its sole nominee for the entire amount of US\$17.5 million (equivalent to approximately HK\$136.5 million) of the Senior Notes, US\$6.25 million (equivalent to approximately HK\$48.75 million) of the Tranche 1 Convertible Bonds and US\$6.25 million (equivalent to approximately HK\$48.75 million) of the Tranche 2 Convertible Bonds.

Reference is made to the announcements of the Company in relation to the issue of Notes and Convertible Bonds dated 12 July 2005 (the “**First Announcement**”) and 2 August 2005 (the “**Second Announcement**”). Capitalised terms used herein shall have the same meanings as defined in the First Announcement and the Second Announcement unless defined otherwise.

The Company announced in the Second Announcement that the Firm Bonds would be issued to Mellon HBV Master Fund and Mellon HBV Master Leveraged Fund as nominated by Mellon HBV.

Further to the Second Announcement, Mellon HBV has notified the Company on the date of this announcement that Mellon HBV has changed its nomination for the Firm Bonds and has nominated Mellon HBV Master Fund as its sole nominee for the entire amount of US\$17.5 million (equivalent to approximately HK\$136.5 million) of the Senior Notes, US\$6.25 million (equivalent to approximately HK\$48.75 million) of the Tranche 1 Convertible Bonds and US\$6.25 million (equivalent to approximately HK\$48.75 million) of the Tranche 2 Convertible Bonds.

To the best of the Directors’ knowledge, Mellon HBV Master Fund is not a connected person of the Company as defined in the Listing Rules and is independent of and not connected with the Company and its connected persons. Mellon HBV Master Fund is an alternative investment fund and Mellon HBV is the investment adviser of Mellon HBV Master Fund. The connected persons of the Company as defined in the Listing Rules are independent of, not connected with, have not invested in and do not have any interests in Mellon HBV Master Fund.

## CHANGES OF SHAREHOLDING

The approximate shareholdings of the substantial shareholders of the Company as at the date of this announcement, assuming full conversion of the Tranche 1 Convertible Bonds only, assuming full conversion of the Tranche 2 Convertible Bonds only and assuming full conversion of the Convertible Bonds are as follows:

	As at the date of this announcement		Assuming full conversion of the Tranche 1 Convertible Bonds only		Assuming full conversion of the Tranche 2 Convertible Bonds only		Assuming full conversion of the Convertible Bonds	
	Approximate %	Number of Shares held	Approximate %	Number of Shares held	Approximate %	Number of Shares held	Approximate %	Number of Shares held
Coastal International Holdings Limited (Note 1)	24.59	497,600,000	22.76	497,600,000	23.46	497,600,000	21.79	497,600,000
Coastal Enterprise Group Limited (Note 2)	23.92	484,210,527	22.15	484,210,527	22.82	484,210,527	21.20	484,210,527
Glory View Investments Limited (Note 3)	2.28	46,080,000	2.11	46,080,000	2.17	46,080,000	2.02	46,080,000
Success Essence Investments Limited (Note 4)	9.10	184,210,526	8.42	184,210,526	8.68	184,210,526	8.07	184,210,526
Mellon HBV Master Fund	–	–	7.43	162,500,000	4.6	97,500,000	11.38	260,000,000
Public	40.11	811,898,947	37.13	811,898,947	38.27	811,898,947	35.54	811,898,947
Total	<u>100.00</u>	<u>2,024,000,000</u>	<u>100.00</u>	<u>2,186,500,000</u>	<u>100.00</u>	<u>2,121,500,000</u>	<u>100.00</u>	<u>2,284,000,000</u>

*Notes:*

1. The Shares are beneficially owned by CIH, the entire issued share capital of which is beneficially owned as to 24% by Chan Boon Teong, 32% by Jiang Ming, 5% by Tao Lin, 1% by Cheng Wing Bor, 3% by Lin Chen Hsin and 25% by Great Scope Investments Limited (the entire issued share capital of which is beneficially owned by Jiang Ming) and 10% by Roseford Resources Limited (the entire issued share capital of which is beneficially owned by CIH).
2. The Shares are beneficially owned by Coastal Enterprise Group Limited, the entire issued share capital of which is beneficially owned by CIH.
3. The Shares are beneficially owned by Glory View Investments Limited, the entire issued share capital of which is beneficially owned by CIH.
4. The Shares are beneficially owned by Success Essence Investments Limited, the entire issued share capital of which is beneficially owned by Huang Bin.

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

Hong Kong, 3 August 2005

\* *For identification purpose only*

*As at the date of this announcement, the Board comprises Mr. Chan Boon Teong, Mr. Jiang Ming, Mr. Tao Lin, Mr. Cheng Wing Bor and Mr. Lin Chen Hsin, as executive directors, Mr. Zheng Hong Qing, as non-executive director and Mr. Tang Lap Yan, Mr. Law Kin Ho and Mr. Wong Kai Cheong as independent non-executive directors.*