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## **PURCHASES OF CONVERTIBLE BONDS AND SHARES OF THE COMPANY BY SHENZHEN INVESTMENT**

The Board noticed that on 19 October 2006, Citadel had agreed to sell and Shenzhen Investment had agreed to acquire the Convertible Bonds at a consideration of US\$65.6 million (equivalent to approximately HK\$510.9 million) and Citadel had agreed to sell and procure to sell and Shenzhen Investment had agreed to acquire an aggregate of 162,000,000 Shares, at a consideration of HK\$145.8 million.

Upon completion of the above mentioned sales and purchases and assuming that the conversion rights attached to the Convertible Bonds have been exercised in full, the Conversion Shares and the 162,000,000 Shares as mentioned above in aggregate represent approximately 22.80% of the enlarged issued share capital of the Company.

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

### **THE PURCHASES**

The Board noticed that on 19 October 2006, Citadel had agreed to sell and Shenzhen Investment had agreed to acquire the Convertible Bonds at a consideration of US\$65.6 million (equivalent to approximately HK\$510.9 million) and Citadel had agreed to sell and procure to sell and Shenzhen Investment had agreed to acquire an aggregate of 162,000,000 Shares, at a consideration of HK\$145.8 million.

Upon completion of the above mentioned sales and purchases and assuming that the conversion rights attached to the Convertible Bonds have been exercised in full, the Conversion Shares and the 162,000,000 Shares as mentioned above in aggregate represent approximately 22.80% of the enlarged issued share capital of the Company.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Shenzhen Investment and its ultimate beneficial owners are third parties independent of the Company and connected persons (as defined under the Listing Rules) of the Company.

## **CONTROLLING SHAREHOLDER**

As at the date of this announcement, the controlling shareholder of the Company, Coastal International Holdings Limited, has beneficial interests in 1,027,890,527 Shares (which is the aggregate number of Shares that Coastal International Holdings Limited and its wholly owned subsidiaries Glory View Investments Limited and Coastal Enterprise Group Limited are interested in), representing approximately 46.45% of the issued share capital of the Company. Assuming that the conversion rights attached to the Convertible Bonds have been exercised in full, such interests of Coastal International Holdings Limited in the Shares will represent approximately 38.69% of the enlarged issued share capital of the Company.

## **DEFINITIONS**

Unless the context otherwise requires, the following expressions have the following meanings in this announcement.

“Board”	the board of Directors
“Citadel”	Citadel Equity Fund Ltd.
“Company”	Coastal Greenland Limited, a company incorporated in Bermuda with limited liability and its issued Shares are listed on the main board of the Stock Exchange
“Conversion Shares”	the Shares to be allotted and issued upon exercise of the conversion rights attaching to the Convertible Bonds or on mandatory conversion
“Convertible Bonds”	unlisted senior secured convertible bonds with an aggregate principal amount of US\$40 million and bearing interest at the rate of 4.75% per annum due 30 December 2009 issued by the Company
“Directors”	the directors of the Company
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	share(s) of a nominal value of HK\$0.10 each in the capital of the Company
“Shenzhen Investment”	Shenzhen Investment Limited, a company incorporated in Hong Kong with limited liability and its issued shares are listed on the main board of the Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	US dollars, the lawful currency of the United States of America

The exchange rate used in this announcement of US\$1.00 to HK\$7.788 is for illustrative purposes only.

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

Hong Kong, 24 October 2006

\* *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, Mr. Oliver P. Weisberg, Mr. Christopher Chung-Yi Hsu and Mr. William F. Harley III (alias Mickey Harley) as non-executive Directors and Mr. Tang Lap Yan, Mr. Law Kin Ho and Mr. Wong Kai Cheong as independent non-executive Directors.*

*Please also refer to the published version of this announcement in  
The Standard and Sing Tao Daily.*