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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)

DISCLOSEABLE AND CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTION

GOLDWIDE AGREEMENT

The Board announces that on 29 June 2007, Coastal Realty, AG Shenyang I and the Company entered into the Goldwide Agreement in relation to the sale of the Goldwide Sale Shares for an aggregate cash consideration of US\$ equivalent to approximately RMB288,000,000 (equivalent to approximately HK\$288,000,000). The US\$ amount is dependent on the rate of exchange one Business Day prior to the payment of deposit and the Goldwide Completion. The Goldwide Disposal is subject to the satisfaction of the conditions as set out in the paragraph headed “Conditions” in the section headed “Goldwide Agreement” below.

KENCO AGREEMENT

The Board also announces that on 29 June 2007, Coastal Realty, AG Shenyang II and the Company entered into the Kenco Agreement in relation to the sale of the Kenco Sale Shares for an aggregate cash consideration of US\$ equivalent to approximately RMB42,720,000 (equivalent to approximately HK\$42,720,000). The US\$ amount is dependent on the rate of exchange one Business Day prior to the payment of deposit and the Kenco Completion. The Kenco Disposal is subject to the satisfaction of the conditions as set out in the paragraph headed “Conditions” in the section headed “Kenco Agreement” below.

Pursuant to Chapter 14A of the Listing Rules, AG Shenyang I and AG Shenyang II are associates 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 and AG Shenyang II are connected persons of the Company.

The Super Investment Agreement, the Goldwide Agreement and the Kenco Agreement were entered into by the Company with parties connected and associated with one another. As such, the Goldwide Disposal and the Kenco Disposal when aggregated with the Super Investment Disposal constitute non-exempted connected transactions on the part of the Company under the Listing Rules and are subject to reporting, announcement and Independent Shareholders’ approval requirement. The Goldwide Disposal and the Kenco Disposal when aggregated with the Super Investment Disposal also constitutes a discloseable transaction on the part of the Company under Rule 14.06 of the Listing Rules.

PROJECT I MANAGEMENT AGREEMENT

Upon the Goldwide Completion, Project Co I, Innovative Marketing and the Company will enter into the Project I Management Agreement. Pursuant to Chapter 14A of the Listing Rules, Project Co I is an associate of AG Coastal and AG Coastal is interested in 50% of the entire issued share capital of Super Investment. Project Co I is a connected person of the Company.

Pursuant to Rule 14A.35, the Project I Services constitute continuing connected transactions on the part of the Company under the Listing Rules and are exempted from Independent Shareholder's approval requirements.

GENERAL

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 date of this announcement, AG Coastal and its associates are not interested in any Share. As such, no Shareholder is required to abstain from voting for the Resolution.

The Independent Board Committee comprising Mr. Tang Lap Yan, Mr. Law Kin Ho and Mr. Wong Kai Cheong, all being the independent non-executive Directors, will be formed to advise the Independent Shareholders as to the fairness and reasonableness of the Goldwide Disposal, the Kenco Disposal, the Put Option and the Call Option. An independent financial adviser will be appointed to advise the Independent Board Committee in this regard.

A circular containing, among other matters, further information on the Goldwide Disposal, the Kenco Disposal, the Put Option, the Call Option and the Project I Services, the letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders, the letter from the Independent Board Committee to the Independent Shareholders, will be despatched to the Shareholders within 21 days after the publication of this announcement.

GOLDWIDE AGREEMENT

Date: 29 June 2007

Parties: (1) Vendor and warrantor : Coastal Realty
(2) Purchaser : AG Shenyang I
(3) Guarantor and warrantor: the Company

AG Shenyang I is principally engaged in investment holding. The holding company of AG Shenyang I is 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 is an indirect wholly owned subsidiary of the Company incorporated in Hong Kong and is principally engaged in investment holdings.

Asset to be disposed

Pursuant to the Goldwide Agreement, AG Shenyang I has agreed to acquire and Coastal Realty has agreed to sell the Goldwide Sale Shares, representing 80% of the entire issued share capital of Goldwide.

As at the date of this announcement and prior to the Goldwide Completion, the entire issued share capital of Goldwide was beneficially owned by Coastal Realty.

Immediately upon the Goldwide Completion, the entire issued share capital of Goldwide will be beneficially owned as to 20% by Coastal Realty and 80% by AG Shenyang I.

Consideration

The aggregate cash consideration for the Goldwide Disposal is US\$ equivalent to RMB288,000,000 (equivalent to approximately HK\$288,000,000) and shall be payable in cash by AG Shenyang I in the following manner:

- (i) US\$ equivalent to approximately RMB19,153,242 (equivalent to approximately HK\$19,153,242) as deposit within 24 hours of the signing of the Goldwide Agreement; and
- (ii) the balance of US\$ equivalent to approximately RMB268,846,758 (equivalent to approximately HK\$268,846,758) on the date of the Goldwide Completion.

The US\$ amount is dependent on the rate of exchange one Business Day prior to the payment of deposit and the Goldwide Completion.

The consideration was determined with reference to the 80% equity interests of Goldwide, the net asset value of Goldwide of approximately HK\$312,158,000 as at 31 March 2007 and a premium of approximately HK\$38,274,000.

The consideration for the Goldwide Disposal and the payment terms were arrived at after arm's length negotiations between the parties to the Goldwide Agreement by taking into account, among other matters, the net asset value of Goldwide as at 31 March 2007. The Directors (including the independent non-executive Directors) consider the payment terms and other terms and conditions of the Goldwide Disposal to be fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

Conditions

The Goldwide Completion is conditional upon, among other things, 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 Goldwide Agreement and the transactions contemplated hereunder.

If the conditions are not fulfilled (or waived by AG Shenyang I) prior to 28 August 2007 (or such other date as may be agreed by AG Shenyang I and Coastal Realty), the Goldwide Agreement shall cease and determine, subject to the right of AG Shenyang I to proceed with the Phase I Project and the parties to the Goldwide Agreement shall agree to proceed with the Phase I Project on terms and conditions similar to the Goldwide Agreement.

Completion

Completion will take place on the third Business Days after the fulfillment or waiver, as the case may be, of all the conditions as agreed by AG Shenyang I and Coastal Realty (or such other date as may be agreed by AG Shenyang I and Coastal Realty).

On Completion, (i) Coastal Realty, AG Shenyang I, Goldwide and the Company will enter into the Goldwide Shareholders Deed which sets out the operation and management of Goldwide Group and the rights and obligations of Coastal Realty and AG Shenyang I, in particular, the temporary ownership of Project Co II and a right of exit exercisable by AG Shenyang I to sell its interests in Goldwide to Coastal Realty if 95% of the total saleable gross floor area of Phase I Project has been sold; and (ii) Project Co I, Innovative Marketing and the Company will enter into the Project I Management Agreement. For further details in relation to the Project I Management Agreement, please refer to the section headed "Project I Management Agreement" below.

Upon Completion, Goldwide will cease to become a subsidiary of the Company and the accounts of Goldwide will be equity accounted into the consolidated financial statements of the Company. On the Goldwide Completion, (i) AG Shenyang I, Coastal Realty, Goldwide and the Company will enter into the Goldwide Shareholders Deed which will set out the operation and management of Goldwide Group and the rights and obligations of AG Shenyang I and Coastal Realty; and (ii) Project Co I, Innovative Marketing and the Company will enter into the Project I Management Agreement.

Restructuring

The Vendor shall:

- (1) procure CGDCL to transfer its equity interest in Project Co I which holds the assets to Phase I Project to Multi Earning; and
- (2) procure Project Co I to transfer its equity interest in Project Co II which holds the assets to Phase II Project to Smooth Land.

Guarantee

Under the Goldwide Agreement, the Company has agreed to guarantee the due and punctual return of the deposit together with interest paid to Coastal Realty pursuant to the terms of the Goldwide Agreement.

PROJECT I MANAGEMENT AGREEMENT

- Parties:**
- (1) Project Co I
 - (2) Innovative Marketing
 - (3) The Company

As Project Co 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, Project Co I is a connected person of the Company.

Innovative Marketing is an indirect wholly owned subsidiary of the Company established in the PRC and is principally engaged in the planning, design, permitting, contract letting, contract administration and post-completion of construction projects.

Obligation to perform services

Innovative Marketing shall perform the services relating to the planning, design, permitting, contract letting, contract administration and post-completion of the Phase I Project and to Project Co I's reasonable satisfaction.

Condition

Completion of the Project I Management Agreement 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 Project I Management Agreement and the transactions contemplated thereunder.

Term

The Project I Management Agreement has a term of five years or until the date of completion of the Phase I Project, whichever is the earliest. As Innovative Marketing will perform its duties under the Project I Management Agreement until the completion of the Phase I Project which will be more than three years, the independent financial adviser will advise on the reasons why the term of the Project I Management Agreement shall exceed three years and will confirm that it is normal business practice for similar type of contracts to be of such duration in the circular to be despatched to the Shareholders.

Fees

Innovative Marketing shall be entitled to paid service fees equal to (1) 4% of the total costs and expenses incurred by Project Co I, for development, design, construction, fit-out, statutory construction supervision, marketing, sales, leasing and property management of the Phase I Project, but excluding, among other things, all expenses relating to land acquisition for the Phase I Project, tax and finance costs for shareholders' loans minus (2) the payroll cost.

Annual caps

The annual cap for the Project I Services in the amount of HK\$15 million for each of the five years ending on 31 March 2012 is estimated by the Directors after taking into account (i) the total construction area and the estimated costs of the Phase I Project, which the fees relating to the Project I Services are calculated based on; and (ii) the proceeds from performing similar management projects by the Group in the PRC previously.

Should the Project I Services to Project Co I exceed HK\$15 million in any year during the term of the Project I Management Agreement, the parties to the Project I Management Agreement will enter into separate agreements for those services which exceed the annual amount of HK\$15 million and the Company will make separate announcements and will comply with all relevant requirements under the Listing Rules.

The Directors (including the independent non-executive Directors) consider the annual caps to be fair and reasonable.

INFORMATION ON GOLDWIDE

Goldwide is principally engaged in investment holding and its subsidiaries are principally engaged in the investment holding and property development in Shenyang, the PRC.

According to the unaudited consolidated management accounts of Goldwide as at 31 March 2007, which is prepared in accordance with generally accepted accounting principles in Hong Kong, Goldwide had no turnover, no net profit before taxation and extraordinary items and no net profit after taxation and extraordinary items.

As at 31 March 2007, the principal assets of Goldwide Group was land for development of approximately HK\$312,158,000 and there were no material liabilities of Goldwide Group. The unaudited net assets of Goldwide Group amounted to approximately HK\$312,158,000 as at 31 March 2007.

FINANCIAL EFFECT OF THE GOLDWIDE DISPOSAL

Based on the above unaudited net assets of approximately HK\$249,726,000 and the consideration for the Goldwide Disposal of RMB288,000,000 (equivalent to approximately HK\$288,000,000), it is estimated that the gain on Goldwide Disposal is approximately HK\$38,274,000.

KENCO AGREEMENT

Date: 29 June 2007

Parties: (1) Vendor and warrantor : Coastal Realty
(2) Purchaser : AG Shenyang II
(3) Guarantor and warrantor: the Company

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

As AG Shenyang II 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 II is a connected person of the Company.

Asset to be disposed

Pursuant to the Kenco Agreement, AG Shenyang II has agreed to acquire and Coastal Realty has agreed to sell the Kenco Sale Shares, representing 20% of the entire issued share capital of Kenco.

As at the date of this announcement and prior to the Kenco Completion, the entire issued share capital of Kenco is beneficially owned by Coastal Realty.

Immediately upon the Kenco Completion, the entire issued share capital of Kenco will be beneficially owned as to 80% by Coastal Realty and 20% by AG Shenyang II.

Consideration

The aggregate cash consideration for the Kenco Disposal is US\$ equivalent to RMB42,720,000 (equivalent to approximately HK\$42,720,000) and shall be payable in cash by AG Shenyang II in the following manner:

- (i) US\$ equivalent to approximately RMB2,846,758 (equivalent to approximately HK\$2,846,758) as deposit within 24 hours of the signing of the Kenco Agreement; and
- (ii) the balance of US\$ equivalent to approximately RMB39,873,242 (equivalent to approximately HK\$39,873,242) on the date of the Kenco Completion.

The US\$ amount is dependent on the rate of exchange one Business Day prior to the payment of deposit and the Kenco Completion.

The consideration was determined with reference to the 20% equity interests of Kenco, the net asset value of Kenco of approximately HK\$185,585,000 as at 31 March 2007 and a premium of approximately HK\$5,603,000.

The consideration for the Kenco Disposal and the payment terms were arrived at after arm's length negotiations between the parties to the Kenco Agreement by taking into account, among other matters, the net asset value of Kenco as at 31 March 2007. The Directors (including the independent non-executive Directors) consider the payment terms and other terms and conditions of the Kenco Disposal to be fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

Conditions

The Kenco Completion is conditional upon, among other things:

- (1) 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 Kenco Agreement and the transactions contemplated hereunder; and
- (2) the Goldwide Completion.

If the conditions are not fulfilled (or waived by AG Shenyang II) prior to six months from the Goldwide Completion (or such other date as may be agreed by AG Shenyang II and Coastal Realty), the Kenco Agreement shall cease and determine.

Completion

Completion will take place on the third Business Days after the fulfillment or waiver, as the case may be, of all the conditions as agreed by AG Shenyang II and Coastal Realty (or such other date as may be agreed by AG Shenyang II and Coastal Realty).

On Completion, (i) Coastal Realty, AG Shenyang II, Kenco and the Company will enter into the Kenco Shareholders Deed which sets out the operation and management of Kenco Group and the rights and obligations of Coastal Realty and AG Shenyang II, in particular, the Put Option, the Call Option and a right of exit exercisable by AG Shenyang II to sell its interests in Kenco to Coastal Realty if 95% of the total saleable gross floor area of Phase II Project has been sold; and (ii) Project Co II, Innovative Marketing and the Company will enter into the Project II Management Agreement. For further details in relation to the Put Option, the Call Option and the Project II Management Agreement, please refer to the section headed “Put Option”, “Call Option” and “Project II Management Agreement” below respectively.

Upon Completion, Kenco will continue to be a subsidiary of the Company and the accounts of Kenco will be consolidated to the consolidated financial statements of the Company. On the Kenco Completion, (i) AG Shenyang II, Coastal Realty, Kenco and the Company will enter into the Kenco Shareholders Deed which will set out the operation and management of Kenco Group and the rights and obligations of AG Shenyang II and Coastal Realty; and (ii) Project Co II, Innovative Marketing and the Company will enter into the Project II Management Agreement.

Guarantee

Under the Kenco Agreement, the Company has agreed to guarantee the due and punctual return of the deposit together with interest paid to Coastal Realty pursuant to the terms of the Kenco Agreement.

PUT OPTION

AG Shenyang II shall have the option to sell its equity interests in Project Co II to Coastal Realty within one year of the date of the Kenco Shareholders Deed.

The exercise price of the Put Option shall be determined as the investment amount of AG Shenyang II in Project Co II plus a 6.5% annual compound rate interest calculated from the date of the Kenco Shareholders Deed.

Coastal Realty shall not within five years (after having acquired all of the equity interests of AG Shenyang II in Project Co II) procure Project Co II to engage in any business directly or indirectly in competition with Project Co I without the prior written consent of AG Shenyang I, unless AG Shenyang I ceases to be an investor in Phase I Project.

CALL OPTION

Coastal Realty shall have the option to purchase the equity interests of AG Shenyang II in Project Co II from AG Shenyang II within one year of the date of the Kenco Shareholders Deed.

The exercise price of the Call Option shall be determined as the investment amount of AG Shenyang II in Project Co II plus a 6.5% annual compound rate interest calculated from the date of the Kenco Shareholders Deed.

Coastal Realty shall not within five years (after having acquired all of the equity interests of AG Shenyang II in Project Co II) procure Project Co II to engage in any business directly or indirectly in competition with Project Co II without the prior written consent of AG Shenyang I, unless AG Shenyang I ceases to be an investor in Phase I Project.

As the Purchaser will become a minority shareholder of Project Co II upon the Kenco Completion and the Purchaser will not be responsible for the management of the Phase II Project, it was a requirement of the Purchaser for the Put Option to be included in the Kenco Shareholders Deed. In return for the Vendor to provide the Put Option to the Purchaser, the Vendor required the Call Option to be included in the Kenco Shareholders Deed.

PROJECT II MANAGEMENT AGREEMENT

- Parties:**
- (1) Project Co II
 - (2) Innovative Marketing
 - (3) The Company

Obligation to perform services

Innovative Marketing shall perform the services relating to the planning, design, permitting, contract letting, contract administration and post-completion of the Phase II Project and to Project Co II's reasonable satisfaction.

Term

The Project II Management Agreement does not have any fixed term. As Innovative Marketing will perform its duties under the Project II Management Agreement until the completion of the Phase II Project.

Fees

Innovative Marketing shall be entitled to paid service fees equal to (1) 4% of the total costs and expenses incurred by Project Co II, for development, design, construction, fit-out, statutory construction supervision, marketing, sales, leasing and property management of the Phase II Project, but excluding, among other things, all expenses relating to land acquisition for the Phase II Project, tax and finance costs for shareholders' loans minus (2) the payroll cost.

INFORMATION ON KENCO

Kenco is principally engaged in investment holding and its subsidiaries are principally engaged in the investment holding and property development in Shenyang, the PRC.

According to the unaudited consolidated management accounts of Kenco as at 31 March 2007, which is prepared in accordance with generally accepted accounting principles in Hong Kong, Kenco had no turnover, no net profit before taxation and extraordinary items and no net profit after taxation and extraordinary items.

As at 31 March 2007, the principal assets of Kenco Group was land for development of approximately HK\$185,585,000 and there were no material liabilities of Kenco Group. The unaudited net assets of Kenco Group amounted to approximately HK\$185,585,000 as at 31 March 2007.

FINANCIAL EFFECT OF THE KENCO DISPOSAL

Based on the above unaudited net assets of approximately HK\$37,117,000 and the consideration for the Kenco Disposal of RMB42,720,000 (equivalent to approximately HK\$42,720,000), it is estimated that the gain on Kenco Disposal is approximately HK\$5,603,000.

REASONS FOR THE DISPOSALS

The Group is principally engaged in the property development, property investment and provision of property management services.

The estimated net proceeds receivable by the Group for the Disposals will amount to approximately HK\$330,000,000. The Directors intend to utilise the net proceeds from the Disposals as general working capital of the Group.

The Directors believe that the Disposals will provide the Group with (i) an opportunity to cooperate with an international fund management company such as Angelo Gordon, which have international experience in the international capital markets for real estate; and (ii) the proceeds from the Disposals can be used to finance the general working capital of the Group.

Taking into account the benefits of the Disposals as described above, the Board is of the view that the terms of the Disposals are fair and reasonable and the Disposals are in the interests of the Company and the Shareholders as a whole.

The Company has no current intention to dispose the remaining 20% interests in Goldwide and 80% interests in Kenco.

LISTING RULES IMPLICATION

As set out in the announcement of the Company dated 6 February 2007, Coastal Realty, AG Coastal Dalian Ltd. and the Company entered into the Super Investment Agreement on 27 January 2007 in relation to the sale and purchase of 50% of the entire issued share capital of Super Investment. Pursuant to Chapter 14A of the Listing Rules, AG Shenyang I and AG Shenyang II are associates 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 and AG Shenyang II are connected persons of the Company.

The Super Investment Agreement, the Goldwide Agreement and the Kenco Agreement were entered into by the Company with parties connected and associated with one another. As such, the Goldwide Disposal and the Kenco Disposal when aggregated with the Super Investment Disposal constitute non-exempted connected transactions on the part of the Company under the Listing Rules and are subject to reporting, announcement and Independent Shareholders' approval requirement. The Goldwide Disposal and the Kenco Disposal when aggregated with the Super Investment Disposal also constitutes a discloseable transaction on the part of the Company under Rule 14.06 of the Listing Rules.

Pursuant to Rule 14A.35, the Project I Services constitute continuing connected transactions on the part of the Company under the Listing Rules and are exempted from Independent Shareholder's approval requirements.

GENERAL

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 date of this announcement, AG Coastal and its associates are not interested in any Share. As such, no Shareholder is required to abstain from voting for the Resolution.

The Independent Board Committee comprising Mr. Tang Lap Yan, Mr. Law Kin Ho and Mr. Wong Kai Cheong, all being the independent non-executive Directors, will be formed to advise the Independent Shareholders as to the fairness and reasonableness of the Goldwide Disposal, the Kenco Disposal, the Put Option and the Call Option. An independent financial adviser will be appointed to advise the Independent Board Committee in this regard.

A circular containing, among other matters, further information on the Goldwide Disposal, the Kenco Disposal, the Put Option, the Call Option and the Project I Services, the letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders, the letter from the Independent Board Committee to the Independent Shareholders, will be despatched to the Shareholders within 21 days after the publication of this announcement.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“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”	Able Well Assets Limited (to be renamed as AG Shenyang I (BVI) Limited), a company incorporated in the British Virgin Islands with limited liability and the purchaser to the Goldwide Agreement
“AG Shenyang II”	AG Shenyang II (BVI) Limited, a company incorporated in the British Virgin Islands with limited liability and the purchaser to the Kenco Agreement
“Angelo Gordon”	funds managed by or affiliates of Angelo, Gordon & Co., L.P.
“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
“Call Option”	the call option for Coastal Realty to purchase the equity interests of AG Shenyang II in Project Co II from AG Shenyang II within one year of the date of the Kenco Shareholders Deed
“CGDCL”	沿海綠色家園發展(沈陽)有限公司 (Coastal Greenland Development (Shenyang) Company Limited), a company established in the PRC and an indirect wholly owned subsidiary of the Company

“Coastal Realty”	Coastal Realty Development Co. Limited, a company incorporated in Hong Kong, an indirect wholly owned subsidiary of the Company and the vendor to the Goldwide Agreement and the Kenco Agreement
“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
“Directors”	the directors of the Company
“Disposals”	the Goldwide Disposal and the Kenco Disposal
“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 and the Company for the sale and purchase of the Goldwide Sale Shares
“Goldwide Completion”	completion of the sale and purchase of the Goldwide Sale Shares in accordance with the Goldwide Agreement
“Goldwide Disposal”	the proposed disposal by Coastal Realty of the Goldwide Sale Shares subject to and upon the terms and conditions of the Goldwide Agreement
“Goldwide Group”	Goldwide and its subsidiary(ies) or where the context so requires, in respect of the period before Goldwide became the holding company of its present subsidiaries, the companies that are the present subsidiaries of Goldwide
“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
“Goldwide Shareholders Deed”	shareholders’ deed in relation to the rights and obligations of shareholders of Goldwide to be entered into among AG Shenyang I, Coastal Realty, Goldwide and the Company on Goldwide Completion
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“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 Goldwide Disposal, the Kenco Disposal, the Put Option and the Call Option

“Independent Shareholders”	Shareholders which are not required to abstain from voting at the general meeting to approve a connected transaction
“Innovative Marketing”	Innovative Marketing and Strategy (Shenzhen) Ltd., a company established in the PRC and a wholly owned subsidiary of the Company
“Kenco”	Kenco Group Limited, a company incorporated in the British Virgin Islands with limited liability
“Kenco Agreement”	the sale and purchase agreement dated 29 June 2007 and entered into between AG Shenyang II, Coastal Realty and the Company for the sale and purchase of the Kenco Sale Shares
“Kenco Completion”	completion of the sale and purchase of the Kenco Sale Shares in accordance with the Kenco Agreement
“Kenco Disposal”	the proposed disposal by Coastal Realty of the Kenco Sale Shares subject to and upon the terms and conditions of the Kenco Agreement
“Kenco Group”	Kenco and its subsidiary(ies) or where the context so requires, in respect of the period before Kenco became the holding company of its present subsidiaries, the companies that are the present subsidiaries of Kenco
“Kenco Sale Shares”	two shares of US\$1.00 in the share capital of Kenco, representing 20% of the entire issued share capital of Kenco, which is legally and beneficially owned by Coastal Realty
“Kenco Shareholders Deed”	shareholders’ deed in relation to the rights and obligations of shareholders of Kenco to be entered into among AG Shenyang II, Coastal Realty, Kenco and the Company on Kenco Completion
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Multi Earning”	Multi Earning Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of Goldwide
“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)
“Phase II Project”	phase II development of the Project which consists of above ground gross floor area of not less than 178,000 square metres of amongst other things communal facilities space of not more than 500 square metres, office space, SOHO, retail space and hotel, but excluding parking space and school and hospital space (if any)

“PRC”	the People’s Republic of China, which for the purpose of this announcement, 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
“Project Co II”	沈陽沿海榮天置業有限公司 (Shenyang Coastal Rong Tian Reality Ltd.), a company established in the PRC
“Project Co II Completion Date”	six months of Goldwide Completion or on or before such later date as may be agreed between the parties
“Project I Services”	the services to be provided by Innovative Marketing to Project Co I pursuant to the Project I Management Agreement
“Project I Management Agreement”	project management agreement in relation to the services to be provided by Innovative Marketing to Project Co I to be entered into among Project Co I, Innovative Marketing and the Company on Goldwide Completion
“Project II Management Agreement”	project management agreement in relation to the services to be provided by Innovative Marketing to Project Co II to be entered into among Project Co II, Innovative Marketing and the Company on Kenco Completion
“Put Option”	the put option for AG Shenyang II to sell its equity interests in Project Co II to Coastal Realty within one year of the date of the Kenco Shareholders Deed
“Resolution”	the resolution to be passed by the Independent Shareholders at the special general meeting to be convened by the Company to approve the Goldwide Disposal, the Kenco Disposal, the Put Option and the Call Option
“Shareholders”	holders of the shares of HK\$0.10 each in the capital of the Company
“Smooth Land”	Smooth Land Limited, a company incorporated in Hong Kong and wholly owned by Kenco
“Super Investment”	Super Investment Development Limited, a company incorporated in Hong Kong with limited liability
“Super Investment Disposal”	the proposed disposal by Coastal Realty of 50% of the entire issued share capital of Super Investment
“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 announcement, unless otherwise specified, conversions of US\$ and RMB into HK\$ are based on the approximate exchange rates of US\$1.00 to HK\$7.78 and RMB1.00 to HK\$1.00.

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

Hong Kong, 10 July 2007

As at the date of this announcement, the board of Directors comprises Mr. Chan Boon Teong, Mr. Jiang Ming, Mr. Tao Lin, Mr. Cheng Wing Bor, Mr. Lin Chen Hsin, Mr. Wu Xin and Mr. Xin Xiangdong as executive Directors, Mr. Zheng Hong Qing, Mr. Oliver P. Weiberg, Mr. William F. Harley III (alias Mickey Harley), Mr. Hu Aimin, Mr. Zhang Yijun and Mr. Zhang Huaqiao as non-executive Directors and Mr. Tang Lap Yan, Mr. Law Kin Ho and Mr. Wong Kai Cheong as independent non-executive Directors.