
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Coastal Greenland Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy 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.

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- (1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE
NEW SHARES AND REPURCHASE SHARES;**
(2) PROPOSED RE-ELECTION OF DIRECTORS;
(3) PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME;
AND
(4) NOTICE OF ANNUAL GENERAL MEETING

A notice convening an annual general meeting of the Company to be held at Suite 1712-16, 17th Floor, China Merchants Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong on Thursday, 25 August 2011 at 10:00 a.m. is set out on pages 27 to 31 of this circular. A form of proxy for use at the annual general meeting is enclosed with this circular.

Whether or not you are able to attend the annual general meeting of the Company, you are requested to complete the accompanying 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, 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 annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish.

* For identification purpose only

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DEFINITIONS

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

“acting in concert”	has the meaning ascribed to this term under the Takeovers Code
“AGM”	the annual general meeting of the Company to be held at Suite 1712-16, 17th Floor, China Merchants Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong on Thursday, 25 August 2011 at 10:00 a.m. to consider and, if thought fit, to approve, among other things, the proposed grant of the General Mandate and the Repurchase Mandate, the proposed re-election of Directors, the proposed termination of the Scheme 2002 and the proposed adoption of the Scheme 2011
“associate”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company
“CIH”	Coastal International Holdings Limited, the controlling Shareholder
“Company”	Coastal Greenland Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate proposed to be granted to the Directors at the AGM to issue further new Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the relevant resolution granting such mandate
“Group”	the Company and the Subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Latest Practicable Date”	22 July 2011, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Option(s)”	option(s) granted or to be granted to subscribe for Share(s) under the Scheme 2002, and following its adoption, under the Scheme 2011
“PRC”	the People’s Republic of China
“Repurchase Mandate”	the repurchase mandate proposed to be granted to the Directors at the AGM to repurchase up to 10% of the issued share capital of the Company as at the date of passing the relevant resolution granting such mandate
“Scheme 2002”	the share option scheme adopted by the Company on 24 September 2002
“Scheme 2011”	the share option scheme proposed to be adopted by the Company at the AGM, a summary of the principal terms of which is set out in Appendix III to this circular
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiaries”	subsidiaries of the Company
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD

COASTAL 沿海
COASTAL GREENLAND LIMITED
沿海綠色家園有限公司*
(incorporated in Bermuda with limited liability)
(Stock Code: 01124)

Executive Directors:

Mr. Chan Boon Teong (*Chairman*)
Mr. Jiang Ming
(Vice Chairman and Managing Director)
Mr. Tao Lin
Mr. Cheng Wing Bor
Mr. Lin Chen Hsin
Mr. Cai Shaobin
Mr. Zheng Hong Qing
Mr. Wang Jun

Non-executive Directors:

Mr. Guo Limin
Mr. Lu Hua

Independent non-executive Directors:

Mr. Tang Lap Yan
Mr. Law Kin Ho
Mr. Wong Kai Cheong

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

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

Suite 1712-16, 17th Floor
China Merchants Tower
Shun Tak Centre
200 Connaught Road Central
Hong Kong

26 July 2011

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE
NEW SHARES AND REPURCHASE SHARES;**
(2) PROPOSED RE-ELECTION OF DIRECTORS;
(3) PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME;
AND
(4) NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

At the AGM, resolutions will be proposed to seek Shareholders' approval for, among other things, the granting of the General Mandate and the Repurchase Mandate to the Directors, the re-election of Directors, the termination of the Scheme 2002 and the adoption of the Scheme 2011.

* *For identification purpose only*

LETTER FROM THE BOARD

The purpose of this circular is to provide you with information relating to the resolutions to be proposed at the AGM in respect of the matters as set out in the foregoing paragraph and the notice of the AGM.

GENERAL MANDATE AND REPURCHASE MANDATE

The Directors propose to seek the approval of Shareholders to grant to the Directors the General Mandate and the Repurchase Mandate at the AGM.

At the AGM, an ordinary resolution will be proposed that the Directors be given an unconditional general mandate to allot, issue and deal with additional Shares (other than by way of rights issue or an issue of Shares pursuant to a share option scheme for employees or directors of the Company and/or any of its subsidiaries and/or participants of any invested entity in which the Group holds an equity interest or pursuant to any script dividend scheme or similar arrangements providing for the allotment and issue of Shares in lieu of whole or part of the dividend on Shares in accordance with the Bye-laws) or make or grant offers, agreements, options and warrants which might require the exercise of such power of an aggregate amount of up to 20% of the issued Shares as at the date of passing such resolution. In addition, an ordinary resolution will also be proposed to authorise an extension of the General Mandate to be granted to the Directors to issue new Shares during the period up to the next annual general meeting of the Company or such earlier period as stated in the relevant resolution by adding to it the number of Shares repurchased under the Repurchase Mandate, if granted.

As at the Latest Practicable Date, the Company had an aggregate of 2,790,582,857 Shares in issue. Subject to the passing of the resolution for the approval of the General Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the General Mandate to allot, issue and deal with a maximum of 558,116,571 Shares.

At the AGM, an ordinary resolution will also be proposed that the Directors be given an unconditional general mandate to repurchase Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange of an aggregate amount of up to 10% of the issued Shares as at the date of passing such resolution.

Subject to the passing of the resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 279,058,285 Shares.

The General Mandate (including the extended General Mandate) and the Repurchase Mandate shall continue to be in force during the period from the date of passing of the resolutions for the approval of the General Mandate (including the extended General Mandate) and the Repurchase Mandate respectively up to (i) the conclusion of the next annual general

LETTER FROM THE BOARD

meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws, the Companies Act 1981 of Bermuda or any applicable laws of Bermuda to be held; or (iii) the revocation or variation of the General Mandate (including the extended General Mandate) or the Repurchase Mandate (as the case may be) by ordinary resolution of the Shareholders in a general meeting, whichever occurs first.

An explanatory statement in connection with the Repurchase Mandate is set out in Appendix I to this circular. The explanatory statement contains all the information required under the Listing Rules to be given to the Shareholders to enable them to make an informed decision on whether to vote for or against the resolution approving the Repurchase Mandate.

RE-ELECTION OF DIRECTORS

According to the Bye-law 87(1), at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years.

In accordance with the Bye-law 87(1), Mr. Chan Boon Teong, Mr. Jiang Ming, Mr. Tao Lin, Mr. Zheng Hong Qing and Mr. Tan Lap Yan shall retire from office by rotation and, being eligible, will offer themselves for re-election.

In accordance with the Bye-law 86(2), the term of the executive Director appointed on 31 January 2011, Mr. Wang Jun, shall terminate at the conclusion of the AGM and, being eligible, he will offer himself for re-election.

At the AGM, ordinary resolutions will be proposed to re-elect Mr. Chan Boon Teong, Mr. Jiang Ming, Mr. Tao Lin, Mr. Zheng Hong Qing and Mr. Wang Jun as executive Directors and Mr. Tang Lap Yan as an independent non-executive Director.

Particulars relating to Mr. Chan Boon Teong, Mr. Jiang Ming, Mr. Tao Lin, Mr. Zheng Hong Qing, Mr. Wang Jun and Mr. Tang Lap Yan, are set out in Appendix II to this circular.

TERMINATION OF THE SCHEME 2002 AND ADOPTION OF THE SCHEME 2011

Pursuant to an ordinary resolution passed by the Shareholders at a general meeting on 24 September 2002, the Company had adopted the Scheme 2002, pursuant to which the Board was authorised to grant Options to any employee, executive or officer of the Company or any of the Subsidiaries (including executive and non-executive directors of the Company or any of the Subsidiaries) and any suppliers, consultants, agents, advisers, shareholders, customers, partners, business associates who, in the sole discretion of the Board, have contributed to the Company and/or any of the Subsidiaries (the “**Eligible Participants**”).

As at the Latest Practicable Date, the Company had an aggregate of 125,940,000 Options granted under the Scheme 2002 of which 18,900,000 Options had lapsed and 107,040,000 Options outstanding which remained unexercised.

LETTER FROM THE BOARD

Termination of the Scheme 2002

As the Scheme 2002 is due to expire on 23 September 2012, the Company proposes to terminate the Scheme 2002 and adopt the Scheme 2011. Under the terms of the Scheme 2002, the Company may by ordinary resolution in a general meeting or the Board may at any time terminate the operation of the Scheme 2002. It is proposed by the Directors that at the AGM, an ordinary resolution will be proposed for the Company to terminate the operation of the Scheme 2002 (such that no further Options could thereafter be offered under the Scheme 2002 but in all other respects the provisions of the Scheme 2002 shall remain in full force and effect) and to approve and adopt the Scheme 2011, which will take effect on the date of its adoption at the AGM subject to the Stock Exchange granting approval for the listing of and dealing in the Shares which may fall to be allotted and issued upon the exercise of Options in accordance with the terms and conditions of the Scheme 2011.

Adoption of the Scheme 2011

The purpose of the Scheme 2011 is to replace the Scheme 2002 and to enable the Company to continue to grant Options to the Eligible Participants as incentives and/or rewards for their contribution to the Company and/or the Subsidiaries. The rules of the Scheme 2011 provide that the Company may specify the Eligible Participants to whom Options shall be granted, the number of Shares subject to each Option and the date on which the Options shall be granted. The basis for determining the subscription price is also specified precisely in the rules of the Scheme 2011. There is no performance target specified in the Scheme 2011 and there is no specified minimum period under the Scheme 2011 for which an Option must be held before an Option can be exercised. The Directors consider that the aforesaid criteria and rules will serve to preserve the value of the Company and encourage Eligible Participants to acquire proprietary interests in the Company. The Company does not at present intend to appoint any trustee to the Scheme 2011. Subject to the approval of the Scheme 2011 by the Shareholders, a resolution will be proposed at the AGM for the Board to grant Options under the Scheme 2011 for the subscription of not more than 10% of the entire issued capital of the Company (excluding, for this purpose, Options which have lapsed in accordance with the terms of any other share option scheme of the Group, and the outstanding Options granted and yet to be exercised pursuant to the Scheme 2002) as at the date of the passing of the relevant resolution.

As at the Latest Practicable Date, the Company had an aggregate of 2,790,582,857 Shares in issue. The total amount of Shares that may fall to be allotted and issued upon exercise in full of the Options that may be granted after the resolution authorising the Directors to allot and issue up to 10% of the issued share capital of the Company has been passed at the AGM would be 279,058,285, which is within the overall limit of 30% prescribed under Rule 17.03(3) of the Listing Rules.

The Directors consider that it is not appropriate to state the value of all Options that can be granted pursuant to the Scheme 2011 as if they had been granted on the Latest Practicable Date as a number of variables which are crucial for the calculation of the Option value have not been determined. Such variables include but not limited to the exercise price, exercise

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period and lock-up period (if any). The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to Shareholders.

The adoption of the Scheme 2011 is conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders at the AGM approving the adoption of the Scheme 2011; and
- (b) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, any Shares which may fall to be allotted and issued by the Company pursuant to the exercise of Options in accordance with the terms and conditions of the Scheme 2011.

Subject to the obtaining of Shareholders' approval with respect to the adoption of the Scheme 2011 at the AGM, the total number of Shares which may be issued upon exercise of all Options to be granted under the Scheme 2011 and any other share option schemes of the Company must not in aggregate exceed 10% of the total issued capital of the Company as at the date on which the Scheme 2011 is adopted unless the Company obtains a fresh approval from the Shareholders to renew the 10% limit on the basis that the maximum number of Shares in respect of which Options may be granted under the Scheme 2011 together with any Options outstanding and yet to be exercised under the Scheme 2011 and any other schemes shall not exceed 30% of the issued share capital of the Company from time to time.

None of the Directors is a trustee of the Scheme 2011 or has any direct or indirect interest in such trustee, if any.

With respect to the operation of the Scheme 2011, the Company will, where applicable, comply with the relevant requirements under Chapter 17 of the Listing Rules.

A summary of the principal terms of the Scheme 2011 which is proposed to be approved and adopted by the Company at the AGM is set out in the Appendix III to this circular. A copy of the rules of the Scheme 2011 is available for inspection at the Company's head office and principal place of business in Hong Kong at Suite 1712-16, 17th Floor, China Merchants Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong during normal business hours from the date hereof up to and including the date of the AGM.

APPLICATION FOR LISTING

Application will be made to the Listing Committee of the Stock Exchange for granting the approval for the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of any Options that may be granted under the Scheme 2011.

LETTER FROM THE BOARD

AGM

A notice convening the AGM to be held at Suite 1712-16, 17th Floor, China Merchants Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong on Thursday, 25 August 2011 at 10:00 a.m. is set out on pages 27 to 31 of this circular. Ordinary resolutions will be proposed at the AGM to approve, among other things, the granting of the General Mandate (including the extended General Mandate) and the Repurchase Mandate, the re-election of Directors, the termination of the Scheme 2002 and the adoption of the Scheme 2011.

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published on the website of Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk. Whether or not you are able to attend the AGM, you are requested to complete the accompanying 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, 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 AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

VOTING BY WAY OF POLL

Pursuant to Rule 13.39 of the Listing Rules, all votes of the Shareholders at a general meeting must be taken by poll. Accordingly, all the resolutions put to vote at the AGM will be taken by way of poll. The chairman of the AGM will explain the detailed procedure for conducting a poll at the commencement of the AGM.

The Company will appoint scrutineers to handle the vote-taking procedures at the AGM. The results of the poll will be published after the conclusion of the AGM on the websites of the Stock Exchange and of the Company.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on any resolutions to be proposed at the AGM.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, there is no any voting trust or other agreement or arrangement or understanding (other than an outright sale) entered into by or binding upon any Shareholder nor is there any obligation or entitlement of any such Shareholder as at the Latest Practicable Date, whereby he has or may have temporarily or permanently passed control over the exercise of the voting right in respect of his shares in the Company to a third party, either generally or on a case-by-case basis.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, there is no discrepancy between any Shareholder's beneficial shareholding interest in the Company as disclosed in this circular and the number of Shares in respect of which he will control or will be entitled to exercise control over the voting right at the AGM.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Directors consider that the proposed grant of the General Mandate (including the extended General Mandate) and the Repurchase Mandate, the proposed re-election of Directors, the proposed termination of the Scheme 2002 and the proposed adoption of the Scheme 2011 are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

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

This Appendix provides an explanatory statement containing all the information required under the Listing Rules to be given to the Shareholders to enable them to make an informed decision as to whether to vote for or against the ordinary resolution to be proposed at the AGM to approve the Repurchase Mandate.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,790,582,857 Shares.

Subject to the passing of the relevant ordinary resolution approving the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 279,058,285 Shares, representing 10% of the issued share capital of the Company as at the date of passing the relevant ordinary resolution approving the Repurchase Mandate.

SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months prior to the Latest Practicable Date were as follows:

	Trading Share prices	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2010		
July	0.450	0.390
August	0.460	0.410
September	0.455	0.415
October	0.510	0.435
November	0.530	0.435
December	0.520	0.475
2011		
January	0.520	0.495
February	0.570	0.500
March	0.580	0.450
April	0.495	0.450
May	0.460	0.380
June	0.415	0.380
July (up to the Latest Practicable Date)	0.435	0.385

REASONS FOR REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders. Repurchases of Shares made under the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement in the value of the Shares and/or the earnings per Share and will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders as a whole.

FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association of the Company and Bye-laws, the Listing Rules and the applicable laws of Bermuda.

Under Bermuda law, any repurchases by a company may be made out of capital paid up on the shares to be repurchased or out of funds of the company otherwise available for dividend or distribution or out of the proceeds of a fresh issue of shares made for the purpose. Any premium payable on a purchase over the par value of the shares to be purchased must be provided out of funds of the company otherwise available for dividend or distribution or out of the company's share premium account.

In repurchasing Shares, the Directors will only apply funds legally available for repurchase of Shares as stated in the foregoing paragraphs.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the latest published audited consolidated financial statements of the Company for the year ended 31 March 2011 as contained in the Company's 2010-2011 annual report) in the event that the Repurchase Mandate were to be exercised in full at any time during the repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

GENERAL

The Directors have undertaken to the Stock Exchange that it will exercise the powers of the Company to repurchase Shares in accordance with the Listing Rules and the laws of Bermuda so far as the same may be applicable.

If as a result of a Share repurchase by the Company, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase may be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to

make a mandatory offer in accordance with Rules 26 of the Takeovers Code. Except for CIH, the Directors are not aware of any Shareholder, or group of Shareholders acting in concert, who/which may become obliged to make a mandatory offer in accordance with Rules 26 of the Takeovers Code in the event that the Directors exercised the power to repurchase Shares pursuant to the Repurchase Mandate in full. As at the Latest Practicable Date, CIH has a beneficial interest in 1,020,841,319 Shares or in approximately 36.58% of the issued share capital of the Company and if the power to repurchase Shares pursuant to the Repurchase Mandate were exercised in full such interest of CIH would be increased to approximately 40.65%. The Directors consider that such an increase would give rise to an obligation on the part of CIH to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors, however, have no intention to exercise the Repurchase Mandate to such an extent that CIH and its associates would become obliged to make a mandatory offer under the Takeovers Code. The Directors believe that the shareholding of Shares in public hands would not fall to a level below 25% of the issued share capital of the Company should the Repurchase Mandate be exercised in full.

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, any of their associates have notified the Company of any present intention to sell Shares to the Company or its subsidiaries under the Repurchase Mandate, if such is approved by the Shareholders.

No connected person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Company is authorised to make purchases of its own Shares.

There have been no repurchases of Shares made by the Company (whether on the Stock Exchange or otherwise) during the six months immediately prior to the Latest Practicable Date.

The details of the Directors who will retire from office by rotation and being eligible will offer themselves for re-election at the AGM are set out below:

Mr. Chan Boon Teong, aged 68, is an executive Director and the chairman of the Group and one of the founders of the Group. He is responsible for corporate direction and development of the Group's business. He graduated from the Imperial College of the University of London, United Kingdom with a Bachelor's degree in Electrical Engineering and also holds Master's degrees in Electrical Engineering and Operational Research from the Polytechnic University of New York City, United States of America. He has over forty years' experience in commercial, industrial and real estate business in the Southeast Asia region. He was a director of the Kowloon Stock Exchange. He is also an independent non-executive director of TPV Technology Limited, a company listed on the main board of the Stock Exchange, and a director of Cathay United Bank, Ltd., a previously listed company in Taiwan. Mr. Chan is a member of the National Chinese People's Political Consultative Conference and is also a member of the Standing Committee of All-China Federation of Returned Overseas Chinese.

Save as disclosed above and apart from being a director of Coastal Realty (BVI) Limited, Coastal Realty Development Co. Limited, Coastal Realty Consultancy Limited and Kings Crown Holdings Ltd., all being wholly-owned subsidiaries of the Company, and a member of the Company's remuneration committee and strategic planning committee, Mr. Chan does not hold any directorships in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and does not hold any other position in the Company or any subsidiary of the Company. Mr. Chan has a service contract with the Company for a term of three years expiring on 29 September 2012. In accordance with the Bye-laws, Mr. Chan will be subject to retirement by rotation and re-election at the Company's annual general meeting. His salary for the year ended 31 March 2011 is HK\$2,800,000 which is determined with reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market situation and is in accordance with the terms of the service contract. The salary for Mr. Chan will be reviewed annually by the Board with reference to his duties and responsibilities with the Group, the Group's performance and the prevailing market situation and will be in accordance with the terms of the service contract. In addition, the Company may in its sole and unfettered discretion pay to Mr. Chan a performance bonus not exceeding 5% of the net profit of the Group for each financial year. As at the Latest Practicable Date, Mr. Chan holds a 21.56% interest in the issued share capital of CIH, which has a beneficial interest in 1,020,841,319 Shares (which is the aggregate number of Shares that CIH and its wholly-owned subsidiaries, Glory View Investments Limited and Coastal Enterprise Group Limited are interested in the issued share capital of the Company). In addition, Mr. Chan holds 10,000,000 outstanding share options granted to him under the Scheme 2002. The exercise price of the 10,000,000 outstanding share options is HK\$1.2 per Share. Save as disclosed in the foregoing, Mr. Chan does not have, and is not deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO). Apart from the foregoing, Mr. Chan does not have any relationship with any other Directors, senior management of the Company, substantial Shareholders or the controlling Shareholder.

Mr. Jiang Ming, aged 53, is an executive Director, the vice chairman and managing director of the Group and one of the founders of the Group. He is responsible for strategy planning and the overall management of the Group. He graduated from the National University of Singapore with a Master's degree in Business Administration. He has over twenty-seven years' experience in investment and corporate management. Prior to the establishment of the Group, he was a general manager of a joint venture enterprise in the PRC for over 7 years. He is a vice-chairman of the Fujian Province Foreign Enterprises Association and an honorary professor at the Wuhan University.

Save as disclosed above and apart from being a director of Coastal Realty Investment (China) Limited and Coastal Green Technology Development Group Limited, wholly-owned subsidiaries of the Company, and a member of the Company's strategic planning committee and investment committee, Mr. Jiang does not hold any directorships in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and does not hold any other position in the Company or any subsidiary of the Company. Mr. Jiang has a service contract with the Company for a term of three years expiring on 29 September 2012. In accordance with the Bye-laws, Mr. Jiang will be subject to retirement by rotation and re-election at the Company's annual general meeting. His salary for the year ended 31 March 2011 is HK\$3,033,000 which is determined with reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market situation and is in accordance with the terms of the service contract. The salary for Mr. Jiang will be reviewed annually by the Board with reference to his duties and responsibilities with the Group, the Group's performance and the prevailing market situation and will be in accordance with the terms of the service contract. In addition, the Company may in its sole and unfettered discretion pay to Mr. Jiang a performance bonus not exceeding 5% of the net profit of the Group for each financial year. As at the Latest Practicable Date, Mr. Jiang holds directly and indirectly a 59% interest in the issued share capital of CIH, which has a beneficial interest in 1,020,841,319 Shares (which is the aggregate number of Shares that CIH and its wholly-owned subsidiaries, Glory View Investments Limited and Coastal Enterprise Group Limited are interested in the issued share capital of the Company). In addition, Mr. Jiang holds 10,000,000 outstanding share options granted to him under the Scheme 2002. The exercise price of the 10,000,000 outstanding share options is HK\$1.2 per Share. Save as disclosed in the foregoing, Mr. Jiang does not have, and is not deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO). Apart from the foregoing, Mr. Jiang does not have any relationship with any other Directors, senior management of the Company, substantial Shareholders or the controlling Shareholder.

Mr. Tao Lin, aged 53, is an executive Director and the investment director of the Group. He is responsible for investment planning and investment management of the Group. He has over twenty-three years' experience in investment and management. He graduated from Beijing Communication Engineering College (北京信息工程學院) and also holds a Master's degree in Business Administration from the National University of Singapore. Before joining the Group in 1991, he had served as an operation officer in a software development company in the PRC. Mr. Tao is also a director of Shanghai Fenghua Group Co., Ltd., a company listed on the Shanghai Stock Exchange.

Save as disclosed above and apart from being a director of Coastal Realty (BVI) Limited, Coastal Realty (China) Company Limited, Coastal Realty Development Co. Limited and Coastal Realty Investment (China) Limited, all being wholly-owned subsidiaries of the Company, and a member of the Company's strategic planning committee and investment committee, Mr. Tao does not hold any directorships in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and does not hold any other position in the Company or any subsidiary of the Company. Mr. Tao has a service contract with the Company for a term of three years expiring on 29 September 2012. In accordance with the Bye-laws, Mr. Tao will be subject to retirement by rotation and re-election at the Company's annual general meeting. His salary for the year ended 31 March 2011 is HK\$2,683,000 which is determined with reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market situation and is in accordance with the terms of the service contract. The salary for Mr. Tao will be reviewed annually by the Board with reference to his duties and responsibilities with the Group, the Group's performance and the prevailing market situation and will be in accordance with the terms of the service contract. In addition, the Company may in its sole and unfettered discretion pay to Mr. Tao a performance bonus not exceeding 5% of the net profit of the Group for each financial year. As at the Latest Practicable Date, Mr. Tao holds a 5.38% interest in the issued share capital of CIH, which has a beneficial interest in 1,020,841,319 Shares (which is the aggregate number of Shares that CIH and its wholly-owned subsidiaries, Glory View Investments Limited and Coastal Enterprise Group Limited are interested in the issued share capital of the Company). In addition, Mr. Tao holds 10,000,000 outstanding share options granted to him under the Scheme 2002. The exercise price of the 10,000,000 outstanding share options is HK\$1.2 per Share. Save as disclosed in the foregoing, Mr. Tao does not have, and is not deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO). Apart from the foregoing, Mr. Tao does not have any relationship with any other Directors, senior management of the Company, substantial Shareholders or the controlling Shareholder.

Mr. Zheng Hong Qing, aged 63, joined the Group as a non-executive Director in 1997 and was re-designated as an executive Director in March 2010. He is responsible for overseeing the construction of certain development projects of the Group. Mr. Zheng graduated from the Chinese People's University (中國人民大學) with a Master's degree in Economics. He has held senior positions in various major corporations in the PRC and has extensive business management experience.

Save as disclosed above and apart from being a director of Coastal Green Technology Development Group Limited, a wholly-owned subsidiary of the Company, Mr. Zheng does not hold any directorships in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and does not hold any other position in the Company or any subsidiary of the Company. Mr. Zheng has entered into a service contract with the Group for a term of three years from 22 March 2010. In accordance with the Bye-laws, Mr. Zheng will be subject to retirement by rotation and re-election at the

Company's annual general meeting. His salary for the year ended 31 March 2011 is HK\$709,000 which is determined with reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market situation and is in accordance with the terms of the service contract. The salary for Mr. Zheng will be reviewed annually by the Board with reference to his duties and responsibilities with the Group, the Group's performance and the prevailing market situation and will be in accordance with the terms of the service contract. Under the service contract, the Group may pay discretionary performance bonus to Mr. Zheng on basis as determined by the Board from time to time. Mr. Zheng does not have, and is not deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO). Apart from the foregoing, Mr. Zheng does not have any relationship with any other Directors, senior management of the Company, substantial Shareholders or the controlling Shareholder.

Mr. Tang Lap Yan, aged 65, is an independent non-executive Director appointed in 1997. Mr. Tang is a fellow member of the Chartered Institute of Management Accountants, United Kingdom. He is the former chairman of The Chinese Language Press Institute and The Newspaper Society of Hong Kong.

Mr. Tang has a service contract with the Company for a term of one year for his service as an independent non-executive Director, which shall be automatically extended for another one year upon expiration of the term of the service contract unless terminated by either party to the service contract, which requires not less than one month's length of notice. In accordance with the Bye-laws, Mr. Tang will be subject to retirement by rotation and re-election at the Company's annual general meeting. The director's fee for the year ended 31 March 2011 for Mr. Tang is HK\$100,000 which is determined with reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market situation and is in accordance with the terms of the service contract. The director's fee for Mr. Tang will be reviewed annually by the Board with reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market situation and will be in accordance with the terms of the service contract. There is no service contract with Mr. Tang that will entitle him to receive any bonus payment from the Company. Mr. Tang holds 2,500,000 outstanding share options granted to him under the Scheme 2002. The exercise price of the 2,500,000 outstanding share options is HK\$1.2 per Share. Save as disclosed in the foregoing, Mr. Tang does not have, and is not deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO). Mr. Tang does not have any relationship with any other Directors, senior management of the Company, substantial Shareholders or the controlling Shareholder. Apart from being an independent non-executive Director and a member of the Company's audit committee and remuneration committee, Mr. Tang does not hold any other position in the Company or any subsidiary of the Company. Save as disclosed, Mr. Tang does not hold any directorships in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

The details of the Director whose term shall terminate at the conclusion of the AGM and being eligible will offer himself for re-election are set out below:

Mr. Wang Jun, aged 40, is an executive Director. Mr. Wang graduated from Wuhan University of Technology with a doctorate degree in management and has over fifteen years of experience in property development and corporate management. Mr. Wang joined the Group in December 2010 as a president and he is responsible for execution of business strategy and management of real estate business of the Group. Before joining the Group, he was the president of Beijing Eagle Real Estate Holdings Ltd. and the vice executive president of Beijing Centergate Technologies (Holding) Co., Ltd.

Save as disclosed above, Mr. Wang does not hold any directorships in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and does not hold any other position in the Company or any subsidiary of the Company. Mr. Wang Jun has entered into two service contracts with two wholly-owned subsidiaries of the Company. One of the service contracts has a term of three years which shall be automatically extended for another one year upon expiration of the term of the service contract unless terminated by either party to the service contract, which requires not less than one month's length of notice. Another service contract has a term of three years, which requires not less than one month's length of termination notice. In accordance with the Bye-laws, Mr. Wang will be subject to retirement by rotation and re-election at the Company's annual general meeting. His salary for the year ended 31 March 2011 is HK\$964,000 which is determined with reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market situation and is in accordance with the terms of the service contract. The salary for Mr. Wang will be reviewed annually by the Board with reference to his duties and responsibilities with the Group, the Group's performance and the prevailing market situation and will be in accordance with the terms of the service contract. Under the service contract, the Group may pay discretionary performance bonus to Mr. Wang on basis as determined by the Board from time to time. Save as disclosed in the foregoing, Mr. Wang does not have, and is not deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO). Apart from the foregoing, Mr. Wang does not have any relationship with any other Directors, senior management of the Company, substantial Shareholders or the controlling Shareholder.

This Appendix summarises the principal terms of the Scheme 2011 but does not form part of, nor was it intended to be, part of the Scheme 2011 nor should it be taken as effecting the interpretation of the rules of the Scheme 2011.

(a) Purpose of the Scheme 2011

The purpose of the Scheme 2011 is to enable the Company to grant Options to certain employees of the Company and the Subsidiary and any suppliers, consultants, agents and advisers or any person who, in the sole discretion of the Board, has contributed or may contribute to the Group in recognition of their contribution to the Company and the Subsidiary.

(b) Administration of the Scheme 2011

The Scheme 2011 shall be subject to the administration of the Directors whose decision on all matters arising in relation to the Scheme 2011 or their interpretation or effect shall (save as otherwise provided therein) be final and binding on all persons who may be affected thereby.

(c) Grant and acceptance of Options

The Board shall, subject to and in accordance with the provisions of the Scheme 2011 and the Listing Rules, be entitled (but shall not be bound) at any time and from time to time on any Business Day within a period of ten years commencing on the date of which the Scheme 2011 is adopted to make an offer for the grant of an Option (the “Offer”) to such Eligible Participant as it may in its absolute discretion select, and subject to such conditions as the Board may think fit, to subscribe for such number of Shares as the Board may determine at the Subscription Price (hereinafter defined).

An Offer shall be made to an Eligible Participant in writing (and unless so made shall be invalid) in such form as the Board may from time to time determine and shall remain open for acceptance by the Eligible Participant concerned for a period of twenty-eight (28) days inclusive of, and from the date of which an Offer is made to an Eligible Participant provided that no such Offer shall be open for acceptance after the earlier of the 10th anniversary of the adoption date of the Scheme 2011 or the termination of the Scheme 2011. A non-refundable nominal consideration of HK\$1.00 is payable by the grantee upon acceptance of an Option. An Option shall be deemed to have been accepted when the duplicate letter comprising acceptance of the Option duly signed by the Eligible Participant together with the said consideration of HK\$1.00 is received by the Company.

Any Offer may be accepted in respect of less than the number of Shares in respect of which it is offered provided that it is accepted in such number of Shares as represents a board lot for the time being for the purpose of trading on main board or an integral multiple thereof.

(d) Exercise of Options and Price of Shares

An Option may be exercised in whole or in part by the grantee giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect

of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the Subscription Price for the Shares in respect of which the notice is given. Within twenty-one (21) days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate from the Company's auditors or independent financial advisers, the Company shall allot and issue the relevant Shares to the grantee (or his legal personal representative(s)) credited as fully paid.

Shares to be allotted and issued upon the exercise of an Option will be subject to all the provisions of the memorandum of association and Bye-laws of the Company for the time being in force and will rank *pari passu* in all respects with the existing fully paid Shares in issue on the date on which the Option is duly exercised or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members (the "**Exercise Date**") and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Exercise Date. A Share allotted upon the exercise of an Option shall not carry voting rights until the name of the grantee of the Option(s) has been duly entered onto the register of members of the Company as the holder thereof.

The exercise price for Shares under the Scheme 2011 (the "**Subscription Price**") shall be determined by the Board at its absolute discretion but in any event will not be less than the higher of: (i) the closing price of the Shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant of an Option, which must be a Business Day; and (ii) the average closing price of the Shares as stated in the daily quotations sheets of the Stock Exchange for the five Business Days immediately preceding the date of grant of an Option.

(e) Maximum number of Shares available for issue

- (1) Subject to the Listing Rules, the overall limit on the number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Scheme 2011 and any other scheme of the Company must not, in aggregate, exceed 30% of the Shares in issue from time to time (the "**Overall Limit**"). No Options shall be granted under any share option schemes of the Company (including the Scheme 2011) if this will result in the Overall Limit being exceeded.
- (2) Subject to the Overall Limit, the total number of Shares which may be issued upon exercise of all Options to be granted under the Scheme 2011 and any other share option schemes of the Company adopted by the Group must not, in aggregate, exceed 10% of the Shares in issue as at the date of the approval of the Scheme 2011 (the "**Scheme Mandate Limit**"), unless Shareholders' approval has been obtained pursuant to sub-paragraphs (iii) and (iv) below. Options lapsed in accordance with the terms of the Scheme 2011 will not be counted for the purpose of calculating the Scheme Mandate Limit.

- (3) The Company may seek separate approval by its Shareholders in general meeting for granting Options beyond the Scheme Mandate Limited provided the Options in excess of the Scheme Mandate Limited are granted only to Eligible Participants specifically identified by the Company before such approval is sought. The Company must send a circular to the Shareholders containing a general description of the specified Eligible Participant and such other information as required under the Listing Rules.
- (4) The Company may seek approval by its Shareholders in general meeting for “refreshing” the Scheme Mandate Limit under the Scheme 2011. However, the total number of Shares which may be issued upon exercise of all Options to be granted under the Scheme 2011 and any other schemes of the Company under the limit as “refreshed” must not exceed 10% of the Shares in issue as at the date of passing the relevant resolution. The Company must send a circular to the Shareholders containing the information as required under the Listing Rules.

(f) Grant of Options to connected persons or any of their associates

Any grant of Options to a connected person or its associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Options). Where Options are proposed to be granted to a connected person who is also a substantial shareholder of the Company or an independent non-executive Director or their respective associates and if such grant would result in the total number of Shares issued and to be issued upon exercise of the Options granted and to be granted (including Options exercised, cancelled and outstanding) in any 12-month period up to and including the date of grant to such person representing in aggregate over 0.1 % of the total issued Shares and having an aggregate value, based on the closing price of the securities at the date of each grant, in excess of HK\$5 million, then the proposed grant must be subject to the approval of Shareholders taken on a poll in a general meeting. All connected persons of the Company must abstain from voting at such general meeting (except where any connected person intends to vote against the proposed grant provided that his intention to do so has been stated in the shareholders' circular to be issued as stated below).

A circular must be prepared by the Company explaining the proposed grant, disclosing (i) the number and terms of the Options to be granted; (ii) containing a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is a grantee) on whether or not to vote in favour of the proposed grant; and (iii) containing information relating to any Directors who are trustees of the scheme or have a direct or indirect interest in the trustees. Any change in the terms of Options granted to a connected person or its associates must be approved by Shareholders in a general meeting.

(g) Maximum entitlement of each Participant

The total number of Shares issued and to be issued upon exercise of the options granted to each Participant or grantee (including exercised and outstanding options) in any twelve (12)-month period up to the date of grant shall not exceed 1% of the Shares in issue at the date of grant (the “**Individual Limit**”). Where it is proposed that any offer is to be made to a Participant (or where appropriate, an existing grantee) which would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the twelve (12)-month period up to and including the relevant date of grant to exceed his, her or its Individual Limit, such offer and any acceptance thereof must be conditional upon Shareholders’ approval in general meeting with such Participant (or where appropriate, an existing grantee) and his, her or its associates abstaining from voting. The Company must send a circular to the Shareholders disclosing the identity of the Participant or grantee, the number and terms of options to be granted (and options previously granted) to such Participant and the information required under the Listing Rules. The number and terms (including the subscription price) of options to be granted to such Eligible Participant must be fixed before the date on which Shareholders’ approval is sought and the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.

(h) Time of Exercise of Options

Subject to the terms of the Scheme 2011, an Option may be exercised in whole or in part at any time during the period to be determined and identified by the Board to each grantee at the time of making an offer for the grant of an Option, but in any event no later than 10 years from the date of grant but subject to the early termination of the Scheme 2011 (the “**Option Period**”).

There is no specified minimum period under the Scheme 2011 for which an Option must be held or the performance target which must be achieved before an Option can be exercised under the terms of the Scheme 2011.

(i) Restrictions on the time of grant of Options

Grant of Options may not be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been announced in accordance with the relevant requirements of the Listing Rules. In particular, no Option may be granted during the period commencing one month immediately preceding the earlier of (i) the date of the Board meeting for the approval of the Company’s quarterly, interim or annual results and (ii) the deadline for the Company to publish its quarterly, interim or annual results announcement and ending on the date of such results announcement.

(j) Rights are personal to grantees

An Option is personal to the grantee and shall not be assignable. An Option shall not be sold, transferred, charged, mortgaged, encumbered or created with any interest in favour of any third party.

(k) Rights on cessation of employment by dismissal

If the grantee of an Option is an employee (the “**Employee**”) of the Group and ceases to be an Employee on one or more of the grounds that he or she has been guilty of persistent or serious misconduct, bankruptcy, insolvency, composition with his or her creditors generally or conviction of any criminal offence or other grounds on which an employer would be entitled to terminate his or her employment pursuant to any applicable law, his or her Option (to the extent not already exercised) will lapse on the date of cessation of his or her employment.

(l) Rights on death

If the grantee of an Option is an Employee and ceases to be an Employee by reason of his or her death before exercising the Options in full and none of the events referred to in paragraph (k) above as ground for termination of his or her Options arises, his or her personal representative(s) may exercise the Option (to the extent not already exercised) within a period of 12 months following the date of death (or such longer period as the Board may determine), failing which it will lapse.

(m) Rights on cessation of employment for other reasons

If the grantee of an Option who is an Employee and ceases to be an Eligible Participant for any other reason the Options (to the extent not already exercised) shall lapse on the date of cessation or termination and shall not be exercisable unless the Board otherwise determines in which event the grantee may exercise the vested portion of the Option (to the extent not already exercised) in whole or in part within a period as the Board may determine following the date of such cessation or termination, which date shall be the last actual working day with the Group, whether salary is paid in lieu of notice or not. If any of the events referred to in paragraph (n) to (p) below occurs during such period, he or she may exercise the Option pursuant to paragraphs (n) to (p) respectively.

(n) Rights on a general offer

In the event of a general offer being made to all Shareholders (or all such holders other than the offeror and/or person controlled by the offeror and/or any person acting in concert (as defined in the Takeovers Code) with the offeror) and such offer becomes or is declared unconditional during the Option Period of the relevant Option, the grantee (or his personal representative(s)) shall be entitled to exercise the Option in full (to the extent not already exercised) at any time within the Option Period and up to the close of such offer.

(o) Rights on winding up

In the event a notice is given by the Company to its members to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as it despatches such notice to each

member of the Company give notice thereof to all grantees and any grantee (or his or her personal representative(s) may by notice in writing to the Company accompanied by a remittance for the full amount of the aggregate subscription price in respect of the relevant Option (such notice to be received by the Company no later than five Business Days prior to the propose general meeting)) exercise the Option (to the extent not already exercised) either to its full extent or to the extent that he or she may specify in his or her notice and the Company shall as soon as possible and in any event no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot and issue such number of Shares to the grantee credited as fully paid.

(p) Rights on reconstruction, compromise or arrangement

If a compromise or arrangement between the Company and its members or creditors is proposed for the purpose of or in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice to the grantee on the same date as it despatches the notice to each member or creditor of the Company to consider such a compromise or arrangement, and thereupon the grantee (or his or her personal representative(s)) may by notice in writing to the Company accompanied by a remittance of the full amount of the subscription price in respect of which the notice is given (such notice to be received by the Company no later than five Business Days prior to the proposed meeting) exercise the Option (to the extent not already exercised) either to its full extent or to the extent specified in the notice and the Company shall as soon as possible and in any event no later than the Business Day immediately prior to the date of the proposed general meeting allot and issue such number of Shares to the grantee credited as fully paid.

(q) Cancellation of Options granted but not exercised

The Board shall be entitled at its discretion at any time and from time to time to cancel any Option granted but not exercised and the issuance of new Options to the same grantee may only be made under the Scheme 2011 with available unissued Options (excluding the cancelled Options) within the Scheme Mandate Limit.

(r) Effect of alterations to share capital

In the event of any alteration in the capital structure of the Company by way of capitalisation of profits or reserved, rights issue, consolidation, subdivision or reduction of the share capital of the Company, such corresponding alterations (if any) will be made in (i) the numbers or nominal amount of Shares subject to any Option so far as such Option remains unexercised and/or (ii) the subscription price per Share and/or (iii) the maximum number of Shares available for subscription and/or; (iv) the method of exercise of the Option as the auditors or independent financial advisers for the time being of the Company shall at the request of the Company or any grantee certify in writing to be in their opinion fair and reasonable, provided that any such alterations shall be made on the basis that the grantee shall have the same proportion of the issued share capital of the Company to which he was entitled

before such alteration and the aggregate subscription price payable by the grantee on the full exercise of any Option shall remain as nearly as possible the same as (but not greater than) it was before such event, but so that no such alterations shall be made the effect of which would be to enable a Share to be issued at less than its nominal value. Save in the case of a capitalisation issue, the auditors or independent financial advisers for the time being of the Company must confirm to the Directors in writing that such adjustment(s) satisfy the aforesaid requirements.

(s) Ranking of Shares

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the memorandum of association of the Company and Bye-laws for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date on which the Option is exercised and accordingly will entitle the holders of Shares to participate in all dividends or other distributions paid or made on or after the date on which the Option is exercised other than any dividends or other distributions previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date of allotment.

(t) Duration of the Scheme 2011

The Scheme 2011 shall continue in force for the period commencing from the date of adoption of the Scheme 2011 and expiring at the close of business on the tenth anniversary thereof, after such period no further Options will be granted but the provisions of the Scheme shall 2011 shall remain in full force and effect in respect of any Options granted before its expiry or termination but not yet exercised.

(u) Alterations to the Scheme 2011

- (1) The provisions relating to the matters set out in rule 17.03 of the Listing Rules cannot be altered to the advantage of the Eligible Participants without the prior approval of Shareholders in a general meeting.
- (2) Any alterations to the terms and conditions of the Scheme 2011 which are of a material nature or any change to the terms of Options granted must be approved by Shareholders, except where the alterations take effect automatically under the existing terms of the Scheme 2011.
- (3) Any change to the authority of the Directors in relation to any alteration to the terms of the Scheme 2011 must be approved by Shareholders in a general meeting.
- (4) Any alterations to the terms and conditions of the Scheme 2011 shall comply with the relevant requirements of Chapter 17 of the Listing Rules.

Save as the above, the Scheme 2011 may be altered in any respect by a resolution of the Board.

(v) Conditions of the Scheme 2011

The Scheme 2011 is conditional upon:

- (1) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in any Shares to be issued by the Company pursuant to the exercise of Options in accordance with the terms and conditions of the Scheme 2011; and
- (2) the passing of the necessary resolution to approve and adopt the Scheme 2011 in general meeting.

(w) Lapse of Options

An Option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (1) the expiry of the Option Period;
- (2) the expiry of any of the periods referred to in paragraphs (k) to (p);
- (3) the date on which the Directors shall exercise the Company's right to cancel the Option by reason of a breach of paragraph (j) by the grantee of the Option in respect of that or any other Option; and
- (4) the date on which the grantee, being an employee of a member of the Group, ceases to be an Eligible Participant by reason of a termination of his employment on any one or more of the grounds that he has been guilty of persistent or serious misconduct, or has become bankrupt or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the grantee or the Group into disrepute).

(x) Termination

The Company by ordinary resolution in general meeting may at any time terminate the operation of the Scheme 2011 and in such event no further Options will be offered but in all other respects the provisions of the Scheme 2011 shall remain in force to the extent necessary to give effect to the exercise of any Options granted but not yet exercised prior to such termination. Details of the Options granted, including Options exercised or outstanding, under the Scheme 2011 shall be disclosed in the circular to Shareholders seeking approval of any subsequent share option scheme to be established after such termination.

(y) Miscellaneous

The terms of the Scheme 2011 (and any other schemes adopted by the Company from time to time) shall be in accordance with the new requirements set out in Chapter 17 of the Listing Rules.

The Company will comply with the relevant statutory requirements and the Listing Rules from time to time in force on a continuing basis in respect of the Scheme 2011 and any other schemes of the Company. Any dispute arising in connection with the number of Shares of an Option and any of the matters referred to in paragraph (r) above shall be referred to the decision of the auditors or the independent financial advisers of the Company who shall act as experts and not as arbitrators and whose decision, in the absence of manifest error, shall be final and binding.

NOTICE OF THE AGM

COASTAL 沿海
COASTAL GREENLAND LIMITED
沿海綠色家園有限公司*
(incorporated in Bermuda with limited liability)
(Stock Code: 01124)

NOTICE IS HEREBY GIVEN that an annual general meeting (the “**AGM**”) of Coastal Greenland Limited (the “**Company**”) will be held at Suite 1712-16, 17th Floor, China Merchants Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong on Thursday, 25 August 2011 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements, the report of the directors (the “**Directors**”) and the independent auditor’s of the Company for the year ended 31 March 2011.
2. (I) (a) To re-elect Mr. Chan Boon Teong as an executive Director.
(b) To re-elect Mr. Jiang Ming as an executive Director;
(c) To re-elect Mr. Tao Lin as an executive Director;
(d) To re-elect Mr. Zheng Hong Qing as an executive Director;
(e) To re-elect Mr. Wang Jun as an executive Director;
(f) To re-elect Mr. Tang Lap Yan as an independent non-executive Director;
and
(II) To authorise the board (the “**Board**”) of Directors to fix the remuneration of Directors.
3. To re-appoint Deloitte Touche Tohmatsu as auditors of the Company and authorise the Board to fix their remuneration.
4. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:
(I) “**THAT:**
(a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares (the “**Shares**”) of HK\$0.10 each in the share capital

* For identification purpose only

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of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

- (b) the aggregate nominal amount of Shares to be repurchased by the Company pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of this Resolution and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution, “**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws (the “**Bye-laws**”) of the Company or any applicable laws of Bermuda to be held; or
 - (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company (the “**Shareholders**”) in general meeting of the Company.”

(II) “**THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional Shares and to make or grant offers, agreements and options which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval

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in paragraph (a) above, otherwise than (i) a Rights Issue (as hereinafter defined); (ii) an issue of Shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to participants of the Company and/or any of its subsidiaries and/or any invested entity in which the Group holds an equity interest, of Shares or rights to acquire Shares; or (iii) an issue of Shares as scrip dividends pursuant to the Bye-laws from time to time, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company at the date of passing this Resolution and the said approval shall be limited accordingly; and

(d) for the purpose of this Resolution, “**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable laws of Bermuda to be held; or
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting of the Company.

“**Rights Issue**” means an offer of shares open for a period fixed by the Directors to the Shareholders on the register on a fixed record date in proportion to their then holdings of such Shares as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong applicable to the Company).”

(III) “**THAT** subject to the passing of the Resolutions 4(I) and 4(II) set out in the foregoing, the general mandate granted to the Directors to allot, issue and deal with additional Shares pursuant to Resolution 4(II) set out in the foregoing be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of Shares repurchased by the Company under the authority granted pursuant to Resolution 4(I) set out in the foregoing, provided that such amount of Shares so repurchased shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of the said Resolution.”

(IV) “**THAT** the existing share option scheme (the “**Scheme 2002**”) of the Company adopted on 24 September 2002 be and is hereby terminated and conditional upon the Stock Exchange granting the listing of and permission to deal in the

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shares (the “**Shares**”) of HK\$0.10 each in the capital of the Company falling to be issued pursuant to the new share option scheme (the “**Scheme 2011**”), the terms of which are set out in the document marked “A” which has been produced to this meeting and signed by the chairman of this meeting for the purpose of identification, the rules of the Scheme 2011 be and are hereby approved and adopted and the Directors be and are hereby authorised to grant options and to allot, issue and deal with shares of the Company pursuant to the exercise of any option granted thereunder and to take all such steps as they may consider necessary or expedient to implement the Scheme 2011.”

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

Hong Kong, 26 July 2011

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place of
business in Hong Kong:*
Suite 1712-16, 17th Floor
China Merchants Tower
Shun Tak Centre
200 Connaught Road Central
Hong Kong

Notes:

1. A member entitled to attend and vote at the AGM is entitled to appoint one or more proxy or proxies to attend and, subject to the provisions of the Bye-laws, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the AGM 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 AGM is enclosed with this circular and such form of proxy is also published on the website of Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, at the 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 the holding of the AGM 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 AGM 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 AGM, 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 AGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.
4. In respect of the proposed Resolution 2 stated above, Mr. Chan Boon Teong, Mr. Jiang Ming, Mr. Tao Lin, Mr. Zheng Hong Qing and Mr. Tang Lap Yan will retire from their offices by rotation at the AGM pursuant to Bye-law 87(1) and being eligible will offer themselves for re-election at the AGM. Details of the Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

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5. Also in respect of the proposed Resolution 2 stated above, pursuant to Bye-law 86(2), the term of the executive Directors appointed on 31 January 2011, Mr. Wang Jun, shall terminate at the conclusion of the AGM, and being eligible, he will offer himself for re-election. Details of the Director proposed to be re-elected at the AGM are set out in Appendix II to this circular.
6. In respect of the proposed Resolution 4(I) stated above, the Directors wish to state that they will exercise the power conferred thereby to repurchase Shares in circumstances which they deem appropriate for the benefits of the shareholders of the Company. An explanatory statement containing the information necessary to enable the shareholders of the Company to make an informed decision to vote on this Resolution as required by the Listing Rules is included in Appendix I to this circular.
7. In respect of the proposed Resolution 4(II) stated above, the Directors wish to state that they have no immediate plans to issue new Shares other than the new Shares to be issued upon the exercise of subscription rights of options granted under the share option scheme of the Company, if any.