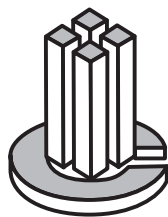


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## COASTAL REALTY GROUP LIMITED

*(Proposed to be renamed as Coastal Greenland Limited)*

*(Incorporated in Bermuda with limited liability)*

### ANNOUNCEMENT

A circular (the “Circular”) containing details of the Acquisitions, the increase in the authorised share capital of the Company, the change of the Company name, the letter of advice from the independent financial adviser to the independent board committee of the Company, the valuation report of the Property, the recommendation of the independent board committee of the Company to the Independent Shareholders on the Acquisitions and the grant of General Mandates together with a notice of the SGM is despatched to the Shareholders on 13th May 2003.

Capitalised terms used herein shall have the same meanings as ascribed in the Circular unless defined in the context otherwise.

### DESPATCH OF DOCUMENTS

A circular containing details of the Acquisitions, a letter from the independent financial adviser to the independent board committee of the Company, the valuation report of the Property, the recommendation of the independent board committee of the Company to the Independent Shareholders on the Acquisitions, the accountants reports of Unicorn Power Limited, Carry Investment Limited, China Max Development Limited and Tangshan New Island Tourism Development Company Limited, the increase in the authorised share capital of the Company and the change of the Company name together with the form of proxy and the notice of the SGM is despatched to the Shareholders on 13th May 2003.

The following table illustrated the unaudited pro-forma adjusted consolidated net assets value of the Group before and after the Acquisitions:

|  | <i>Approximately<br/>HK\$ million</i> |
|--|---------------------------------------|
| Audited consolidated net assets value as at 31st March, 2002                           | 1,475.1                               |
| <i>Add:</i> Unaudited interim results<br>for the six months ended 30th September, 2002 | <u>11.5</u>                           |
| Unaudited pro-forma adjusted consolidated net assets<br>value before the Acquisitions  | 1,486.6                               |

|  |                       |
|--|-----------------------|
| Effect of the Acquisitions   |                       |
| – Consideration for the Acquisitions   | 100                   |
| – Excess of the share of net assets value of the Joint Vanture Company by the Group upon the Completion over the amount of consideration paid for the Acquisitions ( <i>note below</i> ) | <u>34.4</u>           |
|  | <u>134.4</u>          |
| Unaudited pro-forma adjusted consolidated net assets value after the Acquisitions  | <u><u>1,621.0</u></u> |
| Unaudited pro-forma adjusted consolidated net assets value per Share before the Acquisitions (Based on 1,024,000,000 Shares)   | <u><u>1.45</u></u>    |
| Unaudited pro-forma adjusted consolidated net assets value per Share after the Acquisitions (Based on 2,024,000,000 Shares)  | <u><u>0.80</u></u>    |

*Note:* According to the Acquisition Agreements, the attributable shareholders' loans in Carry, China Max and Unicorn to be acquired by the Group were approximately HK\$11,238,000. After the Acquisitions, the share of net assets value attributable to the Group in the Joint Venture Company will be increased by approximately HK\$123,144,000 as a result of the revaluation of the Property at HK\$280,000,000. For the purpose of compiling the Unaudited Pro Forma Statement of Assets and Liabilities of the Enlarged Group, the share of the net assets value by the Group under the Acquisitions in the Joint Venture Company, including the share of the revaluation surplus of HK\$123,144,000, amounted to approximately HK\$134,382,000. The total consideration to be paid by the Company for the Acquisitions is HK\$100,000,000. In accordance with the Group's accounting policy, the interest in the Joint Venture Company will be accounted for by the Group on the basis of equity method of accounting after the Acquisitions. The excess of the share of net assets value of the Joint Venture Company over the consideration paid of approximately HK\$34,382,000 arising from the Acquisitions will be incorporated in the consolidated accounts of the Group under the revaluation reserve attributable to jointly controlled entities.

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

Hong Kong, 12th May, 2003