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SUPPLEMENTAL ANNOUNCEMENT TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2022

Reference is made to the annual report of Coastal Greenland Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 March 2022 (the “**Annual Report**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Annual Report.

DEPOSITS FOR FUTURE ACQUISITION OF LAND USE RIGHTS

As disclosed in the Annual Report, the Company has deposits for future acquisition of land use rights (the “**Deposits**”) of approximately HK\$3,380 million as at 31 March 2021, which increased to approximately HK\$3,799 million as at 31 March 2022, representing 47.7% of the total assets of the Company as at 31 March 2022.

In addition to the information disclosed in the note headed “**PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES**” in the Annual Report, the Board would like to provide further information regarding the Deposits.

The Deposits comprise of the payments for the acquisition of land use rights of a project in relation to the re-development of old villages in the city (城中舊村改造) located at Shangchong Village, Xiangzhou District, Zhuhai City, the PRC (the “**Project**”), including land costs, construction costs, professional fees and finance costs. The Deposits were paid to the counterparties of the Project, including constructors, government departments, engineering firms, construction design firms and other consultants, in accordance with their respective contractual terms. To the best knowledge, information and belief of the Directors having made reasonable enquiries, the counterparties and their ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

* For identification purpose only

The Project covers a total site area of approximately 348,981 sq.m.. A total GFA of approximately 1,030,000 sq.m. will be developed in phases. The total investment cost in relation to the Project is estimated to be approximately RMB11 billion. The Zhuhai Xiangzhou District Housing and Urban Renewal Authority has authorised the Group as the major party responsible for the implementation of the Project.

The Project involves demolition and resettlement of 267 households. As at 31 March 2022, the Group has completed the resettlement of 249 households. The Group is currently in the process of carrying out the remaining resettlement before proceeding to demolition and submission of application for the renewal of the relevant land certificates.

The first payment of the Deposit was made in May 2016 to a consultant regarding the prospects and key points for the successful implementation of the Project proposal in the amount of approximately HK\$22 million. Based on the current projected value of the Project, the Directors do not foresee that the ultimate realisation of the Project would result in any impairment in the amount of the Deposits paid by the Group.

The above supplementary information does not affect other information contained in the Annual Report. Save as disclosed above, all other information in the Annual Report remains unchanged.

By order of the Board
Coastal Greenland Limited
Jiang Ming
Chairman

Hong Kong, 18 August 2022

As at the date of this announcement, the Board comprises Mr. Jiang Ming, Dr. Li Ting, Mr. Lin Chen Hsin and Ms. Tong Xinhua as executive Directors, Mr. Qiu Guizhong and Mr. Zhou Xiya as non-executive Directors and Mr. Wong Kai Cheong, Mr. Yang Jiangang and Mr. Huang Xihua as independent non-executive Directors.