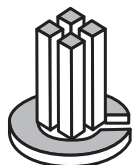


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COASTAL REALTY GROUP LIMITED

*(Proposed to be renamed as Coastal Greenland Limited)
(Incorporated in Bermuda with limited liability)*

Financial advisor



SinoPac Securities (Asia) Limited

**MAJOR AND CONNECTED TRANSACTION,
PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL,
PROPOSED CHANGE OF COMPANY NAME
AND
PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES**

On 17th April, 2003, the Company entered into the Acquisition Agreements with Coastal Enterprise Group Limited, a wholly-owned subsidiary of Coastal International, the controlling Shareholder, and three independent third parties in relation to the acquisition of (i) the Unicorn Shares and Unicorn Shareholders' Loan; (ii) the Carry Shares and Carry Shareholders' Loan; and (iii) the China Max Shares and China Max Shareholders' Loan. Unicorn Power Limited, Carry Investment Limited and China Max Development Limited are investment holding companies and the principal assets of which are their respective interests in the Joint Venture Company. The equity interest of the Joint Venture Company is owned as to 50% by Unicorn Power Limited, as to 20% by Carry Investment Limited, as to 25% in China Max Development Limited and as to 5% by the PRC Partner. The Joint Venture Company is principally engaged in the development of the Property into a tourist resort with ancillary real estate development in Tang Shan City, Hebei Province, the PRC. Upon Completion, the Company will have an aggregate of 47.5% indirect interest in the Joint Venture Company.

The aggregate consideration for the Acquisitions is HK\$100,000,000. The consideration was agreed after arm's length negotiations between the parties to the Acquisition Agreements, which will be satisfied by the allotment and issue of the Consideration Shares at the Issue Price. The Consideration Shares represent approximately 49.41% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares. The Board considers that the terms of the Acquisitions are fair and reasonable and are in the best interests of the Company and the Shareholders as a whole.

Coastal Enterprise Group Limited is a wholly-owned subsidiary of Coastal International, which in turn is the controlling Shareholder. By virtue of the Listing Rules, the Acquisitions will constitute a major and connected transaction of the Company. The Acquisitions are subject to the Independent Shareholders' approval at the SGM, at which Coastal International and its associates (as defined in the Listing Rules) will abstain from voting in respect of the relevant resolution at the SGM.

As at the date of this announcement, the authorised share capital of the Company is HK\$150,000,000 divided into 1,500,000,000 Shares, of which 1,024,000,000 Shares have been issued and fully paid or credited as fully paid. In order to accommodate the allotment and issue of the Consideration Shares, the Directors propose to increase the authorised share capital of the Company from HK\$150,000,000 to HK\$300,000,000 by the creation of an additional 1,500,000,000 unissued Shares.

The Directors also propose to change the Company name to "Coastal Greenland Limited" and adopt the Chinese name of "沿海綠色家園有限公司" for identification purpose so as to align with the business strategy of the Group.

The Directors also propose to seek the approval of the Shareholders to grant the General Mandates at the SGM.

A circular containing, among others, further information in respect of the Acquisitions, the increase in the authorised share capital of the Company and 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 together with a notice of the SGM will be despatched to the Shareholders as soon as practicable.

Trading in the Shares on the Stock Exchange was suspended at the request of the Company at 9:30 a.m. on 17th April, 2003 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares at 9:30 a.m. on 24th April, 2003.

ACQUISITION AGREEMENTS DATED 17TH APRIL, 2003

The terms and conditions of the Unicorn Agreement, Carry Agreement and China Max Agreement are identical except (i) the identity of the vendor(s); (ii) the number of sale shares; (iii) the number of Consideration Shares to be allotted; and (iv) the amount of the shareholders' loan under to the Acquisitions, the details of the Acquisition Agreements are as follows:

	Name of vendor(s)	Number of sale shares	Number of Consideration Shares	Amount of net asset under the Acquisitions	Attributable amount of shareholders' loan under the Acquisitions (as at the date of the Acquisition Agreements)	Aggregate amount of net asset and shareholder's loan under the Acquisitions
Pursuant to the Unicorn Agreement	Coastal Enterprise Group Limited	2 shares of HK\$1.00 each in the capital of Unicorn Power Limited (representing 20% of the issued share capital of Unicorn Power Limited)	210,526,316	HK\$2.00	HK\$2,365,792	HK\$2,365,794
Pursuant to the Carry Agreement	Coastal Enterprise Group Limited	65 shares of HK\$1.00 each in the capital of Carry Investment Limited (representing 65% of the issued share capital of Carry Investment Limited)	273,684,211	HK\$65.00	HK\$3,075,529	HK\$3,075,594
	Independent Party A	35 shares of HK\$1.00 each in the capital of Carry Investment Limited (representing 35% of the issued share capital of Carry Investment Limited)	147,368,421	HK\$35.00	HK\$1,656,054	HK\$1,656,089
Pursuant to the China Max Agreement	Party B	35 shares of HK\$1.00 each in the capital of China Max Development Limited (representing 35% of the issued share capital of China Max Development Limited)	184,210,526	HK\$35.00	HK\$2,070,067	HK\$2,070,102
	Independent Party C	35 shares of HK\$1.00 each in the capital of China Max Development Limited (representing 35% of the issued share capital of China Max Development Limited)	184,210,526	HK\$35.00	HK\$2,070,067	HK\$2,070,102
			1,000,000,000	HK\$172	HK\$11,237,509	HK\$11,237,681

Coastal Enterprises Group Limited is a wholly-owned subsidiary of Coastal International, which in turn is the controlling Shareholder and beneficially owned approximately 53.09% of the entire issued share capital of the Company. Save for the above, the Independent Party A, Party B and Independent Party C are not connected with the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates (as defined in the Listing Rules).

Assets acquired

Pursuant to the Acquisition Agreements, the Company has conditionally agreed to acquire (i) the Unicorn Shares and Unicorn Shareholders' Loan; (ii) the Carry Shares and Carry Shareholders' Loan; and (iii) the China Max Shares and China Max Shareholders' Loan. The principal assets of Unicorn Power Limited, Carry Investment Limited and China Max Development Limited are their respective interests in the Joint Venture Company. The equity interests of the Joint Venture Company is owned as to 50% by Unicorn Power Limited, as to 20% by Carry Investment Limited, as to 25% by China Max Development Limited and as to 5% by the PRC Partner. The principal asset of the Joint Venture Company is the Property, being an island in Tang Shan City, Hebei Province, the PRC, and its associated development rights. It is intended that the Property will be developed into a tourist resort with ancillary real estate development.

As Unicorn Power Limited, Carry Investment Limited, China Max Development Limited and the Joint Venture Company have not conducted any business other than the development of the Property, all the respective expenses have been capitalized at the development stage of the Property. Neither Unicorn Power Limited, Carry Investment Limited, China Max Development Limited and the Joint Venture Company recorded any profit or loss for the two years ended 31st December, 2001 and 31st December, 2002 respectively.

Unicorn Power Limited, Carry Investment Limited, China Max Development Limited and the Joint Venture Company have not prepared any audited accounts as at the date hereof. The following table shows their respective unaudited net assets and shareholders' loan as at 31st January, 2003:

	Unaudited net assets as at 31st January, 2003	Shareholders' loan as at 31st January, 2003
Unicorn Power Limited	HK\$10.00	HK\$11,828,959
Carry Investment Limited	HK\$100.00	HK\$4,731,584
China Max Development Limited	HK\$100.00	HK\$5,914,479
Joint Venture Company	RMB13,896,694	RMB8,778,459

Unicorn Power Limited, Carry Investment Limited and China Max Development Limited are investment holding companies and the principal assets of which are their respective interests in the Joint Venture Company. The principal assets of the Joint Venture Company is development rights of the Property which is valued by the Valuer at approximately HK\$280,000,000 and has a book value in about RMB22.8 million in the Joint Venture Company. The principal liabilities of Unicorn Power Limited, Carry Investment Limited, China Max Development Limited are their respective shareholders' loan. The principal liability of the Joint Venture Company includes its shareholder's loan in the amount of approximately RMB8.78 million and other liabilities in the amount of approximately RMB0.13 million as at 31st January, 2003.

The shareholders' loan of Unicorn Power Limited, Carry Investment Limited, China Max Development Limited and the Joint Venture Company due to their respective shareholders are non-interest bearing and have no fixed repayment terms.

The registered capital and the total investment amount of the Joint Venture Company as approved by the People's Government of Hebei Province are US\$11.8 million (approximately HK\$91.45 million) and US\$29.5 million (approximately HK\$228.63 million) respectively. The difference between the total investment amount and the registered capital of the Joint Venture Company will be financed by the joint venture partners in accordance with their respective shareholding in the Joint Venture Company. As at the date hereof, the joint venture partners have paid in accordance with the joint venture agreement US\$1.77 million which represents about 15% of the registered capital of the Joint Venture Company and the remaining capital in the amount of about US\$10.03 million will be paid by the joint venture partners according to their respective shareholding in the Joint Venture Company by the end of 2005. The board of the Joint Venture Company consist of five directors. Unicorn Power Limited has the right to appoint two directors and each of Carry Investment

Limited, China Max Development Limited and the PRC Partner can appoint one director to the board of the Joint Venture Company. Neither the Company nor the Vendors has any intention to change the composition of the board of directors of the Joint Venture Company after Completion.

The total investment made by the Joint Venture Company for the development of the Property amounted to approximately RMB22 million as at 31st January, 2003. The principal business of the Joint Venture Company as stated in its certificate of approval for establishment of enterprises with foreign investment in the PRC includes development and management of resort, beach, yacht pier and leisure facilities.

The following table shown the unaudited assets and liabilities of the Joint Venture Company as at 31st January, 2003:

	<i>RMB</i>
Total Assets	22,807,170
Total Liabilities	8,910,475
Net Assets	13,896,695

The Property

The Property was valued by the Valuer on “as-is” basis at HK\$280,000,000 as at 31st March, 2003 and has a book value in about RMB22 million in the Joint Venture Company. The Property is an island named Da Wang Gang Island and is located at Lao Ting County, Tang Shan City, Hebei Province, the PRC where is at the northern coast of Bohai Sea. Da Wang Gang Island is approximately 243 km from Beijing and approximately 80 km from Tang Shan City. The Property is adjacent to Tangshan Seaport Development Jingtang Port and is connected with the well established highway between Beijing, Tianjin and Qinhuangdao. The Property comprises a site of three contiguous lots and forms an irregular-shaped site with a combined area of approximately 7,111,554 sq.m.. The Property is an island with a long coastal line and has a beach in the length of approximately 26,494 m which is suitable for development as into resort area. In accordance with the preliminary overall development plan which is subject to the approval of the relevant authority, the Property will be developed into a resort compound with hotel, recreational facilities, villas and commercial and residential housing by phases for wide variety of recreation activities. The Property will be developed into four regions, namely an ecological recreation region, an educational region, a military theme park and a private resort and recreation area. The Property will also contain a fishing port, a yacht pier and a public pier. The Property consists of three contiguous lots of land and the Joint Venture Company has obtained three land use rights certificates for 40 years to 16th January, 2043, for the respective lots from the Lao Ting County People’s Government in January, 2003. According to the land use rights granted by the authority, the Property has been approved for the tourist development purpose.

To effectively monitor the development progress and cash outflow, the Joint Venture Company will play the roles of project planner, coordinator, developer and land provider. The initial business plan of the Joint Venture Company including the commencement of developing villas on the island and the sale of land to parties interested in establishing tourist resort and recreational facilities on the island which are within the approved business scope of the Joint Venture Company.

The development of the Property will be divided into three phases. The works in the clearance of the island have been completed and a road connecting Da Wang Gang Island and Tangshan Seaport Development Jingtang Port has been built. The first phase of development is expected to be completed by 2006 which involves completion of the construction of the main roads on the island and the major construction for development of the recreation and resort area and villas area. The total investment for the development of the first phase is expected to be about RMB90 million. The amount incurred by the Joint Venture Company for the first phase development of the Property was approximately RMB22 million as at 31st January, 2003. The Joint Venture Company will be responsible for the major foundation work and basic infrastructure for the development of the Property and development of villas during the first phase of development. The second phase of development will be commenced in about 2006 which is expected to be completed by 2009 and will involve completion of the construction of a hotel, the theme park and recreation buildings. The total investment for the development of the second phase is expected to be about RMB226 million. No investment amount has been incurred for the second phase of development as at the date hereof. The third phase of development will commence in about 2009 and is expected to be completed by 2015 which will involve completion of all the roads and infrastructure of the island and all buildings and construction work

on the island. No estimation for the investment amount for the third phase of development has been made and no investment amount has been incurred for the third phase of development as at the date hereof. Based on the cashflow projection for the development of the Property prepared by the Directors which has taken into account of the revenue from the land sale, selling of properties and the internal financial resources of the Joint Venture Company, the maximum contribution for the investment to the Property by the Group after the Acquisitions will be approximately HK\$102 million and the aggregate investment contribution by other parties of the Joint Venture Company will be about HK\$112.84 million. The investment contribution to the Joint Venture Company will be made by the joint venture partners in accordance with their respective equity interests proportion in the Joint Venture Company.

The outstanding investment amount to the Joint Venture Company as at the date hereof is approximately US\$27.73 million. The following is a summary of the contribution to the outstanding investment amount to the development of the Property which includes the capital contribution to be made by the joint venture partners:

	<i>HK\$ million</i>	Total <i>US\$ million</i>
Investment contribution		
– the Group	102.00	13.17
– Coastal Enterprise Group Limited	85.95	11.09
– Party B	16.12	2.08
– PRC Partner	10.77	1.39
Total	<u>214.84</u>	<u>27.73</u>

The Group will finance its investment and capital contribution to the Joint Venture Company by its internal resources.

Since the Property is close to Beijing, Tinjian and Qinhaungdao and given the well established transportation system among these cities, the Directors expect that the Property will attract the investors and visitors from these major cities. Given the lack of resort and recreation area near Beijing and Tinjian, the Directors anticipate that the Property will become a major area for environmental preserve education and a key leisure and recreation spot in the North-eastern part of the PRC.

Consideration

The aggregate consideration for the Acquisitions is HK\$100,000,000 which is based on the preliminary valuation of the Property valued by the Valuer at HK\$280,000,000 as at 31st March, 2003 and the 47.5% equity interests in the Joint Venture Company to be acquired by the Group. Upon Completion, the equity interests in Unicorn Power Limited will be accounted for as an investment of the Company, Carry Investment Limited and China Max Development Limited will be accounted for as the subsidiaries of the Group. The consideration was arrived at after arm's length negotiations between the parties to the Acquisition Agreements. Based on the preliminary valuation as stated above, the aggregate consideration represents approximately 24.81% discount to the 47.5% attributable interest of the Property and approximately 9.23 times over the attributable interest for the book value of the Property as stated in the accounts of the Joint Venture Company. The Board considers that the terms of the Acquisition Agreements are fair and reasonable and are in the best interests of the Company and the Shareholders as a whole.

The aggregate consideration for the Acquisitions will be satisfied by the allotment and issue of the Consideration Shares at the Issue Price to the Vendors as to 484,210,527 Consideration Shares to Coastal Enterprise Group Limited, as to 147,368,421 Consideration Shares to Independent Party A, as to 184,210,526 Consideration Shares to Party B and as to 184,210,526 Consideration Shares to Independent Party C.

Payment terms

Pursuant to the Acquisition Agreements, the aggregate consideration for the Acquisitions in the amount of HK\$100,000,000 will be satisfied by way of allotment and issue of 1,000,000,000 Consideration Shares at the Issue Price. The Issue Price represents (i) approximately 1.96% discount to the closing price of the Shares of HK\$0.102 per Share as quoted on the Stock Exchange on 16th April, 2003, being the last trading day before the date of the Acquisition Agreements; (ii) approximately 7.18% premium over the average

closing price of the Shares of HK\$0.0933 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including 16th April, 2003; (iii) equals to the par value of the Shares; and (iv) represents about 93% discount to the audited net assets value of approximately HK\$1.44 per Share as at 31st March, 2002.

The Consideration Shares, when allotted and issued, will rank *pari passu* in all respects with each other and with the existing issued Shares. The Consideration Shares represent approximately 97.66% of the existing issued share capital of the Company and approximately 49.41% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares.

Completion

Completion is expected to take place on the 7th Business Days after the conditions set out in the paragraph headed “Conditions of the Acquisitions” below or such later date as may be agreed by the parties. None of the Vendors has any intention to appoint any new director to the Board upon Completion and none of the Independent Party A, Party B nor Independent Party C has any shareholding in the Company as at the date hereof.

Upon Completion, the Group will indirectly own 47.5% equity interests in the Joint Venture Company and Coastal Enterprise Group Limited will have a direct interests of 80% in Unicorn Power Limited which in turn has effective equity interests of 40% in the Joint Venture Company. Therefore, the Group will limit its direct capital contribution to the development of the Property to its equity proportion in the Joint Venture Company on one hand and the Group can be benefited from the future development of the Property on the other hand. Upon Completion, the Group’s investment in the Joint Venture Company will be accounted for as an associated company of the Company.

As a result of the shareholding held by the Group and Coastal Enterprise Group Limited in the Joint Venture Company, Coastal International, the controlling shareholder of the Company, will control the Joint Venture Company through its indirect interest of 40% in the Joint Venture Company held by Unicorn Power Limited and its deemed interest of about 47.5% equity interest in the Joint Venture Company held by the Group.

Reasons for the transaction

The Group is principally engaged in property development, property investment and provision of property management services in the PRC. The Directors anticipate that the economic climate in the PRC will maintain its present upward trend and the continuing improvement of the living standard in the PRC. The Directors anticipate that the growth in the demand for large scale resorts and leisure facilities to be strong.

As tourism and recreation is a rising industry in the PRC and Tangshan Seaport Development Jingtang Port is a new economic development region along the northern coastal of Bohai Sea, the Directors consider that the Property is situated at a prime location for recreation and leisure development. Therefore, the Director believe that the Acquisitions offer a good business opportunity for the investment in recreation and resort property development in the PRC and a valuable chance to obtain a major stake in a large development site in the PRC.

The Joint Venture Company is principally engaged in the property development of the Property which shall be developed as a resort compound area. The Group has been focused in the development of low density housing estate with amenity facilities in the PRC. The Directors consider that the Acquisitions are in line with the principal business of the Group’s property development in the PRC and will enable the Group to capture business opportunities offer from this tourist related real estate market segment. In addition, the Directors believe that the Acquisitions will allow the Company to further expand its property development portfolio in the PRC and enhance the asset base of the Group.

Conditions of the Acquisitions:

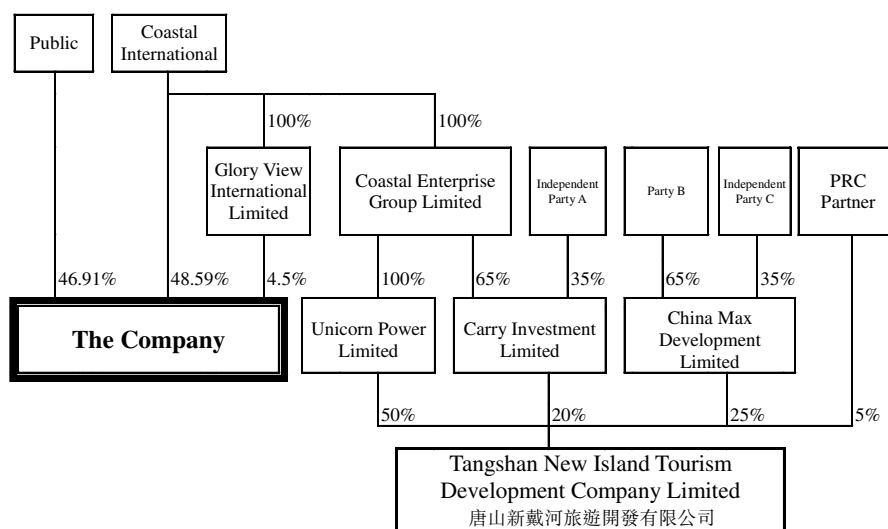
Completion is conditional upon fulfilment of the following conditions:

1. the Independent Shareholders passing at the SGM the necessary resolutions approving the Acquisitions and the allotment and issue of the Consideration Shares to each of the Vendors, credited as fully paid;

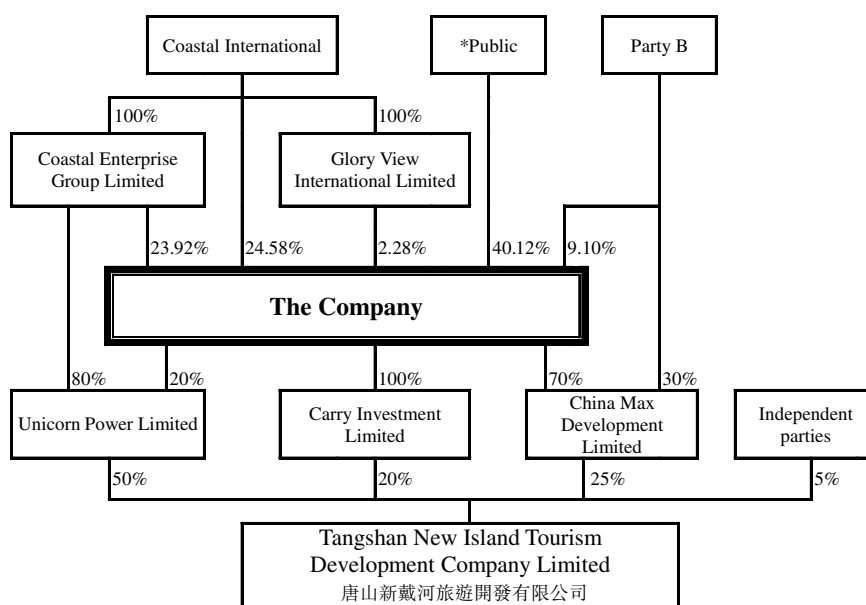
2. the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Consideration Shares;
3. the Company having received the valuation certificate issued by the Valuer confirming the valuation of the Property being not less than HK\$280,000,000 as at 31st March, 2003;
4. the Shareholders at the SGM passing an ordinary resolution to approve the increase in the authorised share capital of the Company from HK\$150,000,000 to HK\$300,000,000;
5. the Bermuda Monetary Authority granting permission for the allotment and issue of the Consideration Shares;
6. the Company being satisfied with the results of the due diligence review to be conducted on Unicorn Power Limited, Carry Investment Limited, China Max Development Limited and the Joint Venture Company;
7. the Company having received a legal opinion covering such matters of the PRC laws by a firm of lawyers acceptable to the Company relevant to the transactions contemplated by the Acquisitions in such form and substance to the absolute satisfaction of the Company;
8. all necessary consents, authorisation, licences and approvals for or in connection with the Acquisitions having been obtained;
9. there being no matter adversely affecting the legal standing or continued existence of the Joint Venture Company or the ability of the Joint Venture Company to continue to carry on its ordinary business; and
10. each of the Unicorn Agreement, Carry Agreement and China Max Agreement having become unconditional.

The shareholding structure of the Joint Venture Company before and after the Completion is as follows:

Before Completion



After Completion



* The Shares held in public hands shall include the 7.28% of the issued share capital of the Company held by Independent party A and the 9.10% of the issued share capital of the Company held by Independent Party C.

Coastal Enterprise Group Limited and Party B has no current intention to inject their respective remaining interests in the Joint Venture Company to the Company.

INCREASE IN AUTHORISED SHARE CAPITAL

As at the date of this announcement, the authorised share capital of the Company is HK\$150,000,000 divided into 1,500,000,000 Shares, of which 1,024,000,000 Shares have been issued and fully paid or credited as fully paid. To accommodate the issue of the Consideration Shares, the Directors propose to increase the authorised share capital of the Company from HK\$150,000,000 to HK\$300,000,000 by the creation of an additional 1,500,000,000 unissued new Shares. The increase in the authorised share capital of the Company is conditional upon the passing of an ordinary resolution by the Shareholders at the SGM.

PROPOSED CHANGE OF COMPANY NAME

The Group has adopted a business strategy of focusing on the development of low density housing estate with amenity facilities and environmental protected properties in the PRC. In order to align with the Group's business strategy, the Directors propose to change the name of the Company from "Coastal Realty Group Limited" to "Coastal Greenland Limited" and adopt the Chinese name of "沿海綠色家園有限公司" for identification purpose. The change of the Company name is subject to the following conditions:

1. the passing of a special resolution by the Shareholders at the SGM to approve the change of the Company name; and
2. the Registrar of Companies in Bermuda granting the approval for the change of the Company name.

The effective date of the change of the Company name will be the date on which the new name is registered by the Registrar of Companies in Bermuda on the register in place of the existing name. The change of the Company name will not affect any of the rights of the Shareholders. All existing share certificates of the Company in issue bearing the existing name of the Company will continue to be evidence of title to the Shares and will be valid for trading, settlement, delivery and registration purposes. Further announcement will be made in relation to the effective date of the proposed change of the Company name and arrangement for exchange of share certificates.

GENERAL MANDATES

The Directors propose to seek the approval of the Shareholders at the SGM to refresh the General Mandates after the issue of the Consideration Shares.

GENERAL

Application will be made to the Stock Exchange for the listing of and permission to deal in the Consideration Shares.

Coastal Enterprise Group Limited is a wholly owned subsidiary of Coastal International, which in turn is a controlling Shareholder. By virtue of the Listing Rules, the Acquisitions will constitute a major and connected transaction of the Company. The Acquisitions are subject to the Independent Shareholders' approval at the SGM, at which Coastal International and its associates (as defined in the Listing Rules) will abstain from voting in respect of the relevant resolution at the SGM.

The SGM will be held to approve (i) the Acquisition Agreements and the transactions contemplated thereunder; (ii) the allotment and issue of the Consideration Shares; (iii) the increase in the authorised share capital of the Company; (iv) the change of Company name; and (iv) the grant of the General Mandates. Coastal International and its associates (as defined in the Listing Rules) will abstain from voting in respect of the resolution approving (i) and (ii) above. An independent board committee of the Company will be formed to advise the Independent Shareholders in relation to the Acquisitions. An independent financial adviser will be appointed to advise the independent board committee of the Company in respect of the Acquisitions.

A circular containing, among others, further details of the Acquisitions, the increase in the authorised share capital of the Company, the change of Company name, the 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 and the grant of General Mandates together with the notice of the SGM will be despatched to the Shareholders as soon as practicable.

Trading in the Shares on the Stock Exchange was suspended at the request of the Company at 9:30 a.m. on 17th April, 2003 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares at 9:30 a.m. on 24th April, 2003.

TERMS USED IN THIS ANNOUNCEMENT

"Acquisition Agreements"	collectively the Unicorn Agreement, Carry Agreement and China Max Agreement
"Acquisitions"	collectively, the Unicorn Acquisition, Carry Acquisition and China Max Acquisition
"Board"	the board of Directors
"Business Day"	a day (excluding Saturday) on which licensed banks in Hong Kong are generally open for business during their normal business hours
"Carry Acquisition"	the acquisition of the Carry Shares and Carry Shareholders' Loan subject to and upon the terms and conditions of the Carry Agreement

“Carry Agreement”	the sale and purchase agreement dated 17th April, 2003 and entered into between Coastal Enterprise Group Limited and Independent Party A on one hand, and the Company on the other
“Carry Shareholders’ Loan”	the aggregate amount of shareholders’ loan owed by Carry Investment Limited as at Completion, of which 65% is owed to Coastal Enterprise Group Limited and 35% is owed to Independent Party A
“Carry Shares”	the entire issued share capital of Carry Investment Limited, of which 65% is beneficially owned by Coastal Enterprise Group Limited and 35% is beneficially owned by Independent Party A
“China Max Acquisition”	the acquisition of the China Max Shares and the China Max Shareholders’ loan subject to and upon the terms and conditions of the China Max Agreement
“China Max Agreement”	the sale and purchase agreement dated 17th April, 2003 and entered into between Party B and Independent Party C on one hand, and the Company on the other
“China Max Shareholders’ Loan”	70% of the shareholders’ loan owed by China Max Development Limited as at Completion, of which 35% is owed to Party B and 35% is owed to Independent Party C
“China Max Shares”	70% of the issued share capital of China Max Development Limited, of which 35% is beneficially owned by Party B and 35% is beneficially owned by Independent Party C
“Coastal International”	Coastal International Holdings Limited, a company incorporated in the British Virgin Islands, which is the controlling shareholder of the Company. The entire issued share capital of Coastal International is held as to 24% by Chan Boon Teong, 32% by Jiang Ming, 5% by Tao Lin, 1% by Cheng Wing Bor, 3% by Lin Chen Hsin, 25% by Great Scope Limited (the entire issued share capital of which is held by Jiang Ming) and 7.5% by Roseford Resources Limited (the entire issued share capital of which is held by Coastal International)
“Company”	Coastal Realty Group Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Stock Exchange
“Completion”	completion of the Acquisitions pursuant to the Acquisition Agreements
“Consideration Shares”	an aggregate of 1,000,000,000 new Shares to be allotted and issued to the Vendors at the Issue Price credited as fully paid pursuant to the Acquisition Agreements and subject to the proposed increase in the authorised share capital of the Company
“Directors”	the directors of the Company
“General Mandates”	the general mandates proposed to be granted at the SGM to the Directors to repurchase Share and issue further new Shares not exceeding 10% and 20% respectively of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Party A”	Mr. Wong Fei Fu, an independent party who is not connected with the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates (as defined in the Listing Rules) and not connected with Party B and Independent Party C
“Independent Party C”	Ms. Huang Bin, an independent party who is not connected with the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates (as defined in the Listing Rules) and not connected with Independent Party A and Party B
“Independent Shareholders”	Shareholders other than Coastal International and its associates (as defined in the Listing Rules)
“Issue Price”	issue price of HK\$0.10 per Consideration Share

“Joint Venture Company”	Tangshan New Island Toursim Development Company Limited (唐山新戴河旅遊開發有限公司), a Sino-foreign joint venture company established in the PRC in 2001
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Party B”	Ms. Cheang Sin Nga, who is not connected with Independent Party A and Independent Party C
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong and Macau Administrative Region of the PRC
“PRC Partner”	唐山海港興嘉物貿有限公司, an independent party who is not connected with the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates (as defined in the Listing Rules)
“Property”	Da Wang Gang Island which is situated in Lao Ting County, Tang Shan City, Hebei Province, the PRC, and is to be developed into a tourist resort with ancillary real estate development
“SGM”	the special general meeting of the Company expected to be held on or about 9th June 2003 to approve, among other things, the Acquisitions, the increase in the authorised share capital of the Company, the change of Company name and the grant of General Mandates
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Unicorn Acquisition”	the acquisition of the Unicorn Shares and Unicorn Shareholders’ Loan subject to and upon the terms and conditions of the Unicorn Agreement
“Unicorn Agreement”	the sale and purchase agreement dated 17th April, 2003 and entered into between Coastal Enterprise Group Limited on one hand and the Company on the other
“Unicorn Shareholders’ Loan”	20% of the shareholders’ loan owed by Unicorn Power Limited as at Completion to Coastal Enterprise Group Limited
“Unicorn Shares”	20% of the issued share capital of Unicorn Power Limited, which is beneficially owned by Coastal Enterprise Group Limited
“Valuer”	DTZ Debenham Tie Leung Limited, an independent valuer
“Vendors”	Coastal Enterprise Group Limited, Independent Party A, Party B and Independent Party C
“HK\$”	Hong Kong dollars, the lawful currency in Hong Kong
“km”	kilometre(s)
“m”	meter(s)
“RMB”	Reminbi, the lawful currency of the PRC
“sq.m”	square meters
“US\$”	the United States of America dollars, the lawful currency of the United States of America
“%”	per cent

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

Hong Kong, 23rd April, 2003