



## Coastal Greenland Announces 2009/10 Annual Results

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### *More High-end Residential Properties Development*

#### ***Financial Highlights***

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- Revenue rose to HK\$3,922 million, up by 33%
  - Revenue from property development, property investment and property management increased to HK\$3,900 million, HK\$15 million and HK\$7 million respectively
  - Net debt to total equity ratio, which is expressed as a percentage of net borrowings over total equity of the Group, improved by 7% to 78% against 85% last year
  - Profit attributable to equity holders was HK\$210 million, and gross profit margin was 21%
  - Basic earnings per share were HK7.51 cents
  - The Group will devote more efforts on developing high-end residential properties
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(Hong Kong, 6 July 2010) – Leading Mainland China property developer **Coastal Greenland Limited** (“Coastal Greenland” / the “Group”) (SEHK stock code: 1124), announced today its annual results for the year ended 31 March 2010.

For the year under review, the Group recorded revenue of HK\$3,922 million, an increase of about 33% as compared with last year (2008/09: HK\$2,956 million). Profit attributable to equity holders of the Group amounted to HK\$210 million (2008/09: HK\$215 million). Gross profit margin was about 21% (2008/09: 29%) and basic earnings per share were HK7.51 cents (2008/09: HK7.70 cents).

As at 31 March 2010, net debt to total equity ratio, which is expressed as a percentage of net borrowings over total equity of the Group, improved by 7% to 78% against 85% last year.

**Mr. Chan Boon Teong, Chairman of Coastal Greenland**, said, “Our results for 2009/10 reflected the Group’s performance in the tough period in late 2008 and early 2009 when the market prices of properties were relatively low amid a tight credit environment. However, the PRC property market has vigorously rallied in both transaction volume and selling prices since the first quarter of 2009. Leveraging our diversified geographic coverage and strong brand awareness, our businesses are also benefited from the industry rebound, which will be reflected in the coming financial year.”

For the year under review, sales revenue from the property development segment increased 33% to HK\$3,900 million. The total gross floor area (“GFA”) delivered by the Group reached 484,700 sq.m., about 31% higher than that of last year. This segment continued to be the Group’s major income source. The revenue mainly came from the sale and delivery of Phases VI and VII of Beijing Silo City and Phase II of Wuhan Silo City, which respectively represented about 66% and 19% of the total property sales revenue. The remaining 15% was derived from sale of remaining inventory of the Group’s completed development projects, including Dongguan Riviera Villa, Jiangxi Riviera Garden, Shanghai Riviera Garden and Phase I of Wuhan Silo City. Also, the Group recorded a significant growth in contracted sales of 59% to about HK\$5,169 million (2008/09: HK\$3,253 million), which corresponds to a 10% growth in the GFA to about 450,100 sq.m. (2008/09: 408,900 sq.m.).

As at 31 March 2010, the Group has a total sales revenue of about HK\$4,649 million from pre-sale of its properties under development with a total GFA of about 333,200 sq.m. About HK\$4,019 million of the HK\$4,649 million pre-sale revenue has been generated from development projects which are expected to be completed and delivered in the next financial year. For the year ended 31 March 2010, the development projects that the Group has completed had a total GFA of approximately 504,400 sq.m. (2008/09: 395,100 sq.m.), and about 393,100 sq.m. (2008/09: 368,900 sq.m.) were attributable to the Group.

For the leasing business, revenue of HK\$15 million was recorded during the review period, up by 64% compared to last year. With the revaluation surplus of HK\$462 million mainly from the offices and shops of Suzhou Coastal International Centre which was completed during the review year, profit from the property investment segment surged to HK\$463 million. Apart from property development and investment, the Group’s property management operations also recorded favorable results, with a profit of approximately HK\$0.2 million, as compared to last year’s loss of HK\$0.1 million.

To maintain a diversified geographic coverage, the Group completed the acquisition of 85% equity interest in the Shenyang Wood Factory Project for residential property development. The acquisition of 90% equity interest in the Wuhan Tushu Dashijie Project was also completed, which was intended for offices or serviced apartment development. In addition, the Group has acquired 50% and 20% equity interests in Dalian Coastal International Centre and Shenyang Hunnan Commercial Project respectively from the joint venture partner. Thus, the Group owns 100% equity interests in both developments. The total GFA of the Group’s development projects were maintained at approximately 5.2 million sq.m., sufficient to support development needs of the Group in the next three to four years.

Looking forward to the Group's prospects, **Mr. Chan** said, "Building on our well-recognised corporate brand, we will continue to advance our market position by further augmenting our geographically well-diversified land bank and strengthening the competitiveness of our portfolio. To improve profitability and create greater value for our shareholders, we plan to develop more high-end residential properties expanding our approach and brand recognition to China's fast expanding base of affluent customers."

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#### **About Coastal Greenland Limited**

Established in Hong Kong in 1990, Coastal Greenland Limited ("Coastal Greenland") (SEHK stock code: 1124) has been investing in the Mainland China property market for over 19 years. The Group's investment is focused mainly in major cities of six major economic regions in the PRC, namely Northeastern Region, Northern Region, Central Region, Eastern Region, Southern Region and Southwestern Region. Coastal Greenland has received many awards for its prominent presence in the PRC property market, including the "Top 10 Most Valuable Real Estate Company Brand in China" ranked by the "China Real Estate Top 10 Research Team" for six consecutive years between 2004 and 2009. It also made the list of the most influential brands in China published by the World Brand Lab in 2005 and 2006. In addition, Coastal Greenland was awarded the "2007 China Blue Chip Real Estate Corporation" title.

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