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ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2025

FINANCIAL HIGHLIGHTS:

- Revenue for the year amounted to approximately HK\$115.8 million, compared to HK\$4.2 million for last year.
- Loss for the year attributable to owners of the Company was approximately HK\$381.9 million, compared to a loss of approximately HK\$1,399.5 million for last year.
- As at 31 March 2025, net debt to total equity ratio was 58%, maintaining at a manageable level.

The board (the “**Board**”) of directors (the “**Director(s)**”) of Coastal Greenland Limited (the “**Company**”) hereby announces the audited consolidated annual results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 March 2025 (the “**Year**” or “**FY2025**”), together with comparative audited figures for the year ended 31 March 2024. The following financial information is extracted from the audited consolidated financial statements as contained in the Group’s 2024/25 annual report which is to be published by the Group.

* For identification purpose only

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	5	115,838	4,177
Cost of sales		<u>(220,737)</u>	<u>(512)</u>
Gross (loss)/profit		(104,899)	3,665
Other income and gains	6	20,692	290,174
Marketing and selling expenses		(109)	–
Administrative expenses		(54,412)	(60,555)
Impairment loss on trade receivables		(615)	–
Impairment loss on prepayments, deposits and other receivables, net		(95,107)	(491,038)
Impairment loss on due from associates and a joint venture		(27,888)	(249,289)
Impairment loss on interest in a joint venture		–	(134,256)
Other expenses		(44,314)	(25,692)
Write-down of land held for property development for sale		(41,475)	(779,358)
Finance costs	7	(30,839)	(27,859)
Share of loss of a joint venture		<u>–</u>	<u>(867)</u>
Loss before taxation	9	(378,966)	(1,475,075)
Income tax (expense)/credit	8	<u>(2,895)</u>	<u>75,555</u>
Loss for the year		<u>(381,861)</u>	<u>(1,399,520)</u>
Other comprehensive (expense)/income for the year			
<i>Items that will not be reclassified to profit or loss:</i>			
Exchange differences arising on translation to presentation currency, net		(44,456)	(106,558)
Deficit on revaluation of leasehold properties		(46,372)	(1,290)
Deferred tax credited to revaluation of leasehold properties		–	322
Change in fair value of equity investments at fair value through other comprehensive income, net of tax		<u>(20,072)</u>	<u>(104)</u>
Other comprehensive expense for the year		<u>(110,900)</u>	<u>(107,630)</u>
Total comprehensive expense for the year		<u><u>(492,761)</u></u>	<u><u>(1,507,150)</u></u>

		2025	2024
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss for the year attributable to:			
Owners of the Company		(381,861)	(1,399,453)
Non-controlling interests		<u>—</u>	<u>(67)</u>
		<u>(381,861)</u>	<u>(1,399,520)</u>
Total comprehensive expense for the year attributable to:			
Owners of the Company		(493,134)	(1,505,436)
Non-controlling interests		<u>373</u>	<u>(1,714)</u>
		<u>(492,761)</u>	<u>(1,507,150)</u>
		<i>HK cents</i>	<i>HK cents</i>
Loss per share			
Basic and diluted	11	<u>(92.10)</u>	<u>(337.54)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Property, plant and equipment		92,614	186,183
Investment properties		2,059	62,655
Right-of-use assets		–	9,833
Interest in a joint venture		–	–
Interest in associates		–	–
Due from associates and a joint venture		–	28,340
Financial assets at fair value through other comprehensive income (“FVTOCI”)		41,986	61,426
Trade receivables	12	67,011	–
		<u>203,670</u>	<u>348,437</u>
Current assets			
Land held for property development for sale		606,829	659,644
Properties under development		–	189,730
Completed properties for sale		145,858	80,576
Trade receivables	12	33,834	–
Prepayments, deposits and other receivables	13	404,034	503,134
Pledged bank deposits		101	102
Cash and bank balances		2,091	9,010
		<u>1,192,747</u>	<u>1,442,196</u>
Current liabilities			
Trade payables	14	–	7,277
Contract liabilities		–	2,224
Other payables and accruals	15	33,968	22,916
Due to a substantial shareholder of the Company		267,895	170,325
Due to a director		2,166	–
Interest-bearing bank and other borrowings		150,854	213,504
		<u>454,883</u>	<u>416,246</u>

		2025	2024
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Net current assets		<u>737,864</u>	<u>1,025,950</u>
Total assets less current liabilities		<u>941,534</u>	<u>1,374,387</u>
Non-current liabilities			
Interest-bearing bank and other borrowings		73,361	53,615
Deferred tax liabilities		<u>30,419</u>	<u>32,161</u>
		<u>103,780</u>	<u>85,776</u>
NET ASSETS		<u><u>837,754</u></u>	<u><u>1,288,611</u></u>
CAPITAL AND RESERVES			
Share capital	16	414,602	414,602
Reserves		<u>418,172</u>	<u>936,027</u>
Equity attributable to owners of the Company		832,774	1,350,629
Non-controlling interests		<u>4,980</u>	<u>(62,018)</u>
TOTAL EQUITY		<u><u>837,754</u></u>	<u><u>1,288,611</u></u>

NOTES

1. GENERAL INFORMATION

The Coastal Greenland Limited (the “**Company**”) is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The registered office of the Company is located at Canon’s Court, 22 Victoria Street, PO Box HM 1179, Hamilton HM EX, Bermuda, and the principal place of business of the Company is located at Suite 1712-16, 17/F, China Merchants Tower Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong.

The Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in the following activities:

- property development
- property investment
- project management services
- project investment services

In the opinion of the directors of the Company (the “**Directors**”), the holding company and the ultimate holding company of the Company is Coastal International Holdings Limited, which is incorporated in the British Virgin Islands.

2. BASIS OF PREPARATION AND PRESENTATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). They have been prepared under the historical cost convention, except for leasehold land and buildings, investment properties and financial assets at FVTOCI which have been measured at revalued amount or fair values, as appropriate.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”) which is different from functional currency of the Company, Renminbi (“**RMB**”). The Directors consider that HK\$ is the appropriate presentation currency in view of its place of listing, and all values are rounded to the nearest thousand except when otherwise indicated.

In preparing the consolidated financial statements, the Directors have considered the future liquidity of the Group in view of its recurring losses incurred. The Group incurred a loss attributable to owners of the Company of approximately HK\$381.9 million for the year ended 31 March 2025 and, as of that date, the Group had interest-bearing bank and other borrowings, and due to a substantial shareholder of the Company in total of approximately HK\$492.1 million, out of which approximately HK\$150.9 million will be due for repayment within the next twelve months and approximately HK\$267.9 million will be repayable on a substantial shareholder's demand, while its available cash and bank balances amounted to approximately HK\$2.1 million.

In addition, during the year ended 31 March 2025, the Group did not repay the principal amount of other borrowings of HK\$80,000,000, which matured on 19 December 2024. These borrowings are secured by the Group's leasehold land and buildings, with a carrying amount of approximately HK\$86,000,000. As at 31 March 2025 and up to the date of approval of the consolidated financial statements, the principal of these borrowings remained outstanding. The Group has continued to pay accumulated interest totalling HK\$13,316,000 in respect of these borrowings and the Group has been in ongoing negotiations with the lender regarding the renewal or extension of the borrowing facilities.

The non-repayment of the overdue principal constitutes an event of default under the terms of the borrowing agreement. In the event of default, the lender is entitled to sell, transfer, or otherwise dispose of any of the pledged assets. Up to the date of approval of the consolidated financial statements, the lender had neither demanded immediate repayment of the outstanding principal nor exercised its rights to take possession of the pledged assets.

These events and conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

Notwithstanding the above circumstances, the consolidated financial statements have been prepared on a going concern basis, the validity of the going concern basis is dependent upon the success of the Group's future operations, its ability to generate adequate cash flows in order to meet its obligations as and when fall due and its ability to refinance or restructure its borrowings such that the Group can meet its future working capital and financing requirements.

Also, the Directors are of the opinion that the Group will be able to finance its future financing requirements and working capital based on the following considerations:

- the Directors have carried out a detail review of the working capital forecast of the Group for not less than fifteen months from 31 March 2025, which took into account the projected future working capital of the Group;

- to obtain additional funds by equity financing and long-term debt financing to finance the Group's working capital and the repayment of existing debts when they fall due;
- the Group has been negotiating with the lenders of the borrowings and creditors for the renewal, replacement or extension of repayments of borrowings and other payables to a date when the Group has adequate working capital to serve the repayments;
- the Group has been implementing measures to accelerate the sale of its completed properties held for sale, and speeding up the collection of sales proceeds and other receivables;
- to dispose of its non-core assets when suitable;
- the Group has been taking active measures to control administrative costs;
- the substantial shareholder of the Company has undertaken not to demand repayment of debts due from the Group amounting approximately HK\$267.9 million until the Group is in a financial position to do so. In addition, the substantial shareholder further advanced HK\$3.5 million in May 2025 to the Group with the same terms as with the HK\$267.9 million as stated above to strength the Group's liquidity position, and agreed to provide continual financial support and adequate funds to the Group to meet its liabilities as and when they fall due.

In view of the above, the Directors are of the opinion that there will be sufficient financial resources available to the Group to enable it to meet its liabilities as and when they fall due and to continue as a going concern. Accordingly, the Directors have prepared the consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Directors will be able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cash flows in the near future.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

3. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied, for the first time, the following amendments to HKFRS Accounting Standards issued by the HKICPA which are effective for the Group's financial year beginning on 1 April 2024:

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5(2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause</i>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRS Accounting Standards issued but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ³
Amendments to HKAS 21	<i>Lack of Exchangeability</i> ¹
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ²
Amendments to HKFRS Accounting Standards	<i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i> ²
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴

¹ Effective for annual periods beginning on or after 1 January 2025.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

⁴ Effective for annual periods beginning on or after a date to be determined.

The Directors anticipate that except for the new HKFRS Accounting Standards mentioned below, the application of the new and amendments to HKFRS Accounting Standards will have no material impact on the results and the financial position of the Group.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made. HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

4. SEGMENT INFORMATION

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the board (the "**Board**") of directors, being the chief operating decision maker (the "**CODM**") in order to allocate resources to segments and to assess their performance. No operating segment identified by the CODM has been aggregated in arriving at the reportable segments of the Group. Summary details of the Group's reportable and operating segments are as follows:

- the property development segment engages in the development of properties for sale in the People's Republic of China (the "**PRC**");
- the property investment segment invests in commercial and residential properties located in the PRC for their rental income potential and/or for capital appreciation; and
- the project management services segment engages in the provision of project management services in the PRC.

Segment revenue and results

The Group's revenue and results are substantially derived from operations in the PRC. The following is an analysis of the Group's revenue and results by reportable and operating segments:

	Property development		Property investment		Project management services		Consolidated	
	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:								
Sales to external customers	<u>113,712</u>	<u>363</u>	<u>2,126</u>	<u>3,814</u>	<u>-</u>	<u>-</u>	<u>115,838</u>	<u>4,177</u>
Disaggregation of revenue:								
Primary geographical markets								
Dalian	113,712	363	-	-	-	-	113,712	363
Dongguan	-	-	207	222	-	-	207	222
Shanghai	-	-	70	106	-	-	70	106
Shenzhen	-	-	1,849	3,486	-	-	1,849	3,486
Total	<u>113,712</u>	<u>363</u>	<u>2,126</u>	<u>3,814</u>	<u>-</u>	<u>-</u>	<u>115,838</u>	<u>4,177</u>
Time of revenue recognition:								
At a point in time	113,712	363	-	-	-	-	113,712	363
Transferred over time	-	-	2,126	3,814	-	-	2,126	3,814
Total	<u>113,712</u>	<u>363</u>	<u>2,126</u>	<u>3,814</u>	<u>-</u>	<u>-</u>	<u>115,838</u>	<u>4,177</u>
Segment results:								
Segment loss	<u>(282,753)</u>	<u>(1,057,911)</u>	<u>(2,537)</u>	<u>(329)</u>	<u>(1,071)</u>	<u>(1,155)</u>	<u>(286,361)</u>	<u>(1,059,395)</u>
Finance costs							(30,839)	(27,859)
Interest income							2,690	956
Foreign exchange gains, net							22	201
Impairment loss on due from associates and a joint venture, net							(27,888)	(249,289)
Impairment loss on interest in a joint venture							-	(134,256)
Share of loss of a joint venture							-	(867)
Other unallocated expenses, net							(36,590)	(4,566)
Loss before taxation							<u>(378,966)</u>	<u>(1,475,075)</u>

Segment results represent the loss before tax made by each reportable segment without allocation of income and expenses of the Group's head office, finance costs, interest income, net foreign exchange difference, net impairment loss on due from associates and a joint venture, impairment loss on interest in a joint venture and share of loss of a joint venture. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Information about major customers

During the year ended 31 March 2025, HK\$111,528,000 was derived from transaction with a single external customer contributed 10% or more of the Group's total revenue (2024: HK\$3,429,000).

Information about geographical areas

Information about the Group's non-current assets, excluding due from associates and a joint venture, financial assets at FVTOCI and trade receivables, determined based on the geographical location of the assets, is as follows:

	2025 HK\$'000	2024 HK\$'000
The PRC	8,560	146,209
Hong Kong	86,113	112,462
	94,673	258,671

Segment assets and liabilities

The CODM evaluates segment performance based primarily on revenue and segment profits/loss, and the CODM does not review the segment assets and liabilities for the purposes of allocating resources to segments and assessing their performance. Therefore, no segment assets and liabilities are presented.

5. REVENUE

	2025 HK\$'000	2024 HK\$'000
Revenue from contracts with customers		
Sale of properties	113,712	363
Revenue from other sources		
Rental income – fixed payment	2,126	3,814
	115,838	4,177

As at 31 March 2025, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is nil (2024: HK\$2,224,000). The Group will recognise the expected revenue within one to two years when the performance obligation is completed.

6. OTHER INCOME AND GAINS

	2025 HK\$'000	2024 HK\$'000
Dividend income from equity investment at FVTOCI	7,114	–
Service fee income	10,532	–
Gain on settlement of indemnity	–	141,793
Overprovision of sales and other taxes	–	27,896
Overprovision of construction cost and operating expenses	208	38,433
Write-back of trade and other payables	–	80,460
Bank interest income	10	204
Other interest income	2,680	752
Others	148	636
	20,692	290,174

7. FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest on bank borrowings	5,339	41,303
Interest on other borrowings	<u>25,500</u>	<u>18,296</u>
	30,839	59,599
Less: Amounts capitalised in qualifying assets	<u>—</u>	<u>(31,740)</u>
	<u><u>30,839</u></u>	<u><u>27,859</u></u>

8. INCOME TAX

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Enterprise Income Tax (“EIT”)		
Current year	—	—
Underprovision/(overprovision) in prior years	2,881	(133,402)
Deferred tax	<u>14</u>	<u>57,847</u>
Total tax charge/(credit) for the year	<u><u>2,895</u></u>	<u><u>(75,555)</u></u>

No provision for Hong Kong Profits Tax has been made as the Group did not generate any assessable profits sourced in Hong Kong for both years.

The Group’s income tax expense represents tax charges on the assessable profits of subsidiaries operating in the PRC calculated at the rates of tax prevailing in the locations in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

Under the Law of the PRC on EIT (the “EIT Law”) and Implementation Regulation of the EIT Law, the statutory tax rate of the Company’s PRC subsidiaries is 25%.

The provision for LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable deductions.

9. LOSS BEFORE TAXATION

The Group's loss before taxation is arrived at after charging/(crediting):

	2025 HK\$'000	2024 HK\$'000
Depreciation of property, plant and equipment	<u>400</u>	<u>400</u>
Staff costs:		
Salaries and other benefits <i>(including directors' remuneration)</i>	28,979	20,021
Pension scheme contributions	<u>608</u>	<u>709</u>
	<u>29,587</u>	<u>20,730</u>
Gross rental income	(2,126)	(3,814)
Less: Direct operating expenses arising from rental-earning investment properties	<u>52</u>	<u>332</u>
Net rental income	<u>(2,074)</u>	<u>(3,482)</u>

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Auditor's remuneration	600	1,000
Cost of completed properties sold	220,685	180
Depreciation of right-of-use assets	750	758
Write-down of land held for property development for sale (<i>note a</i>)	41,475	779,358
Write-down of completed properties for sale*	481	18,281
Impairment loss on trade receivables	615	–
Impairment loss on prepayments, deposits and other receivables, net	95,107	491,038
Impairment loss on due from associates and a joint venture	27,888	249,289
Impairment loss on interest in a joint venture	–	134,256
Impairment loss on right-of-use assets*	1,376	–
Loss on disposal of a subsidiary*	30,926	–
Loss on disposal of property, plant and equipment*	–	1,802
Loss on write-off of assets and liabilities upon deregistration of subsidiaries, net*	206	291
Foreign exchange gains, net	(22)	(201)
Rental expenses on short-term leases	318	503
Fair value changes on investment properties*	9,859	2,972
Remeasurement of a financial guarantee contract*	574	–

* These items are included in “other expenses” of the consolidated statement of profit or loss and other comprehensive income.

Note:

- (a) The amount represented the write-down of land held for property development for sale located in Shenyang to its net realisable value for the year ended 31 March 2025 and 2024, based on the valuation performed by an independent and qualified professional valuer.

10. DIVIDENDS

The Board does not recommend the payment of a dividend for the years ended 31 March 2025 and 2024.

11. LOSS PER SHARE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Earnings		
Loss attributable to owners of the Company	<u>(381,861)</u>	<u>(1,399,453)</u>
	2025	2024
Number of shares		
Weighted average number of ordinary shares in issue during the years, used in basic and diluted loss per share calculation	<u>414,602,028</u>	<u>414,602,028</u>

The diluted loss per share is equal to basic loss per share as there were no dilutive potential ordinary shares outstanding during the years ended 31 March 2025 and 2024.

12. TRADE RECEIVABLES

Trade receivables mainly comprise proceeds from sales of properties. Consideration in respect of sale of properties is receivable in accordance with the terms of the relevant sale and purchase agreement.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	101,483	—
Impairment allowance	<u>(638)</u>	<u>—</u>
	100,845	—
Non-current portion	<u>(67,011)</u>	<u>—</u>
Current portion	<u><u>33,834</u></u>	<u><u>—</u></u>

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 1 year	<u><u>100,845</u></u>	<u><u>—</u></u>

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Other receivables	1,141,368	909,793
Prepaid operating expenses and other deposits	<u>20,813</u>	<u>34,716</u>
	1,162,181	944,509
Impairment allowance	<u>(758,147)</u>	<u>(441,375)</u>
	<u><u>404,034</u></u>	<u><u>503,134</u></u>

14. TRADE PAYABLES

An aged analysis of trade payables as at the end of the year based on invoice date and issuance date of each bill is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Over 90 days	<u><u>-</u></u>	<u><u>7,277</u></u>

The average credit period on purchase is 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit period granted.

15. OTHER PAYABLES AND ACCRUALS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Other payables	20,303	17,769
Accrued construction costs	–	208
Other accrued operating expenses	6,448	4,939
Sales and other taxes payables	6,647	–
Financial guarantee contract	570	–
	<u>33,968</u>	<u>22,916</u>

16. SHARE CAPITAL

	Number of ordinary shares	Share Capital <i>HK\$'000</i>
Authorised:		
Ordinary shares of HK\$0.10 each at 1 April 2023	7,000,000,000	700,000
Share consolidation (<i>note</i>)	<u>(6,300,000,000)</u>	<u>–</u>
Ordinary shares of HK\$1.00 each at 31 March 2024, 1 April 2024 and 31 March 2025	<u>700,000,000</u>	<u>700,000</u>
Issued and fully paid:		
Ordinary shares of HK\$0.10 each at 1 April 2023	4,146,020,285	414,602
Share consolidation (<i>note</i>)	<u>(3,731,418,257)</u>	<u>–</u>
Ordinary shares of HK\$1.00 each at 31 March 2024, 1 April 2024 and 31 March 2025	<u>414,602,028</u>	<u>414,602</u>

Note: On 13 November 2023, the Board proposes to implement the share consolidation on the basis that every ten (10) issued and unissued existing shares of HK\$0.10 each be consolidated into one (1) consolidated share of HK\$1.00 each (the “**Share Consolidation**”). The Share Consolidation was approved by the shareholders on 13 December 2023, and became effective on 15 December 2023. Accordingly, the total number of issued ordinary shares was consolidated from 4,146,020,285 into 414,602,028 on 15 December 2023.

17. SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

Save as disclosed in this announcement, there is no occurrence of events that had a significant impact on the Group’s operation, financial and trading prospects since the end of the Year and up to the date of this announcement which the Board is aware of.

EXTRACT OF INDEPENDENT AUDITOR’S REPORT

The following is an extract of the independent auditor’s report on the Group’s consolidated financial statements for the year ended 31 March 2025.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material Uncertainty Related to Going Concern

We draw attention to note 2 to the consolidated financial statements that the Group incurred a loss attributable to owners of the Company of approximately HK\$381.9 million for the year ended 31 March 2025 and, as of that date, the Group had interest-bearing bank and other borrowings, and due to a substantial shareholder of the Company in total of approximately HK\$492.1 million, out of which approximately HK\$150.9 million will be due for repayment within the next twelve months and approximately HK\$297.9 million will be repayable on a substantial shareholder’s demand, while its available cash and bank balances amounted to approximately HK\$2.1 million.

During the year ended 31 March 2025, the Group did not repay the principal amount of other borrowings of HK\$80,000,000, which matured on 19 December 2024. These borrowings are secured by the Group's leasehold land and buildings, with a carrying amount of approximately HK\$86,000,000. As at 31 March 2025 and up to the date of approval of the consolidated financial statements, the principal of these borrowings remained outstanding. The Group has continued to pay accumulated interest totalling HK\$13,316,000 in respect of these borrowings and the Group has been in ongoing negotiations with the lender regarding the renewal or extension of the borrowing facilities.

The non-repayment of the overdue principal constitutes an event of default under the terms of the borrowing agreement. In the event of default, the lender is entitled to sell, transfer, or otherwise dispose of any of the pledged assets. Up to the date of approval of the consolidated financial statements, the lender had neither demanded immediate repayment of the outstanding principal nor exercised its rights to take possession of the pledged assets.

These events and conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. The directors of the Company, having considered the plans and measures being taken by the Group, are of the opinion that the Group would be able to continue as a going concern. Our opinion is not modified in respect of this matter.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATIONAL REVIEW

Property Development

The Group's business strategy for its property development business is to develop quality residential estates for the upper to middle class domestic market.

During the Year, the Group recorded contracted sales in the amount of HK\$113.7 million (2024: HK\$0.4 million). Included in the amount was HK\$108.4 million attributable the land resumption of a land situated in Dalian, which has a site area of 246,091 sq.m..

Property Investment

The Group holds some of its properties for investment purposes. The property investment portfolio of the Group includes commercial and residential properties located in the PRC. In managing the investment property portfolio, the Group takes into account the long-term growth potential and overall market conditions of the properties. The Group may sell some of its investment properties when it is in its interests to do so. Rental income for the Year mainly derived from properties in Shenzhen.

Project Management Services

During the Year, the Group ceased to engage as the project managers of development projects namely Beijing Bay Project Phase II and Chongqing Silo City, both of the project's constructions have been completed.

Project Investment Services

During the years ended 31 March 2025 and 2024, the Group did not generate any profit from the operations of this segment. The Group will continue to look for opportunities in relation to investment in and sale of property development/land development projects in the PRC.

FINANCIAL REVIEW

Overall performance

During the Year, the Group generated revenue of HK\$115.8 million as compared to HK\$4.2 million for last year. The Group's net loss for the year was HK\$381.9 million (2024: HK\$1,399.5 million). The loss attributable to owners of the Company for the year was HK\$381.9 million (2024: HK\$1,399.5 million). The basic loss per share for the year was HK92.10 cents (2024: HK337.54 cents).

Revenue

The revenue of the Group was primarily derived from sales of properties and property rental income. For the FY2025, approximately 98% (2024: 9%) of the Group's revenue was generated from the sales of properties and approximately 2% (2024: 91%) from property rental income.

Sales of Properties

During the Year, the recognised sales revenue from sales of properties was HK\$113.7 million as compared to HK\$0.4 million for last year. The property sales revenue for the FY2025 mainly came from the land resumption of a land situated in Dalian, which accounted for 95% of the total property sales revenue.

Rental Income

Revenue from property rental slightly decreased to HK\$2.1 million from last year's HK\$3.8 million. The decrease was primarily attributable to the decrease in rental income generated by Shenzhen Noble Center. The property investment segment for the Year recorded a loss of approximately HK\$2.5 million, comparing to a loss of approximately HK\$0.3 million for last year.

Project Management Services Income

During the years ended 31 March 2025 and 2024, the Group did not generate any revenue from project management services as the Group is phasing out from the business in this segment. The project management services segment recorded a loss of approximately HK\$1.1 million for the Year comparing to a loss of approximately HK\$1.2 million for last year.

Gross (Loss)/Profit

The negative gross profit margin for the Year was approximately 91% compared to the gross profit margin of 88% for last year. The negative gross profit margin of this year was primarily attributable to the recognition of sales revenue from land resumption during the year ended 31 March 2025 as the compensating amount from the land resumption by the government authority is lower than the carrying amount of the property. The gross margin of last year was primarily contributed by the revenue from property investment with higher gross margin.

Other Income and Gains

Other income and gains for the Year was HK\$20.7 million as compared to HK\$290.2 million for last year. The decrease is mainly due to an indemnity against a legal case of approximately HK\$141.8 million by Hengxiang Real Estate and write-back of trade and other payables amounted to approximately HK\$80.5 million was recorded in FY2024, while none was recorded in FY2025.

Marketing, Selling and Administrative Expenses

Marketing and selling expenses for the Year was HK\$0.1 million while no marketing and selling expenses was incurred for last year as no selling activities for promoting its sales was engaged.

Administrative expenses decreased by approximately 10.1% to HK\$54.4 million from last year's HK\$60.6 million. The Group will continue to implement cost control measures so as to enhance its operational efficiency.

Impairment Loss on Trade Receivables, Impairment Loss on Prepayments, Deposits and Other Receivables, net, Impairment Loss on Due from Associates and a Joint Venture, Write-down of Land held for Property Development for Sale, Write-down of Properties Under Development and Write-down of Completed Properties for Sale

During the Year, the impairment loss on trade receivables was HK\$0.6 million (2024: nil); the impairment loss on prepayments, deposits and other receivables, net was HK\$95.1 million (2024: HK\$491.0 million); the impairment loss on due from associates and a joint venture was HK\$27.9 million (2024: HK\$249.3 million); and the total of write-down of land held for property development for sale, write-down of properties under development and write-down of completed properties for sale was HK\$42.0 million (2024: HK\$797.6 million).

The impairment losses arose are mainly due to the significant downturn in the PRC property market resulting in substantial decrease in property value in general over recent years.

Finance Costs

During the Year, the Group incurred finance costs before capitalisation (mainly interest for bank and other borrowings) of HK\$30.8 million, representing a decrease of approximately 48.3% as compared to HK\$59.6 million incurred for last year. Interest expenses charged to profit or loss for the Year was HK\$30.8 million as compared to last year's HK\$27.9 million. The increase in finance costs was mainly attributable to no amount was capitalised in qualifying assets during the Year comparing to HK\$31.7 million that was capitalised for last year.

Financial Resources and Liquidity

The Group's principal source of fund is the cash flow generated from property sales and leasing supplemented by bank and other borrowings.

As at 31 March 2025, the Group's cash and bank balances (including pledged bank deposits) amounted to approximately HK\$2.2 million (2024: HK\$9.1 million). An analysis by currency denomination of the cash and bank balances (including pledged bank deposits) are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
RMB	673	6,564
HK\$	1,071	1,931
United States dollar ("US\$")	448	617
	<u>2,192</u>	<u>9,112</u>

As at 31 March 2025, the net borrowings of the Group, being interest-bearing bank and other borrowings, due to a substantial shareholder of the Company less cash and bank balances and pledged bank deposits, amounted to approximately HK\$489.9 million (2024: HK\$428.3 million). Net debt to total equity ratio, which is expressed as a percentage of net borrowings over equity increased by approximately 25% to 58% from last year's 33%, maintaining at a manageable level.

Borrowings and Charges

As at 31 March 2025, the Group's total bank and other borrowings amounted to HK\$224.2 million (2024: HK\$267.1 million), of which HK\$73.8 million (2024: HK\$95.0 million) were variable-rate borrowings and the remaining were fixed rate borrowings. Long-term borrowings amounted to HK\$73.4 million (2024: HK\$53.6 million), representing approximately 33% (2024: 20%) of the total borrowings, and short-term borrowings were HK\$150.9 million (2024: HK\$213.5 million) representing approximately 67% (2024: 80%) of the total borrowings. As at 31 March 2025, the ranges of effective interest rate per annum of the Group in respect of its fixed and variable rate borrowings were 10.8% to 12% (2024: 12.00%) and 4% to 6.15% (2024: 4% to 6.15%) respectively.

As at 31 March 2025, total facilities granted to the Group amounting to HK\$127.6 million (2024: HK\$129.9 million) of which HK\$127.4 million (2024: HK\$129.7 million) were utilised.

As at 31 March 2025, certain assets of the Group including land and buildings, investment properties, right-of-use assets, financial assets at FVTOCI and completed properties for sale with aggregate carrying value of HK\$211.5 million (2024: HK\$253.3 million), personal guarantee and assets given by a substantial shareholder of the Company and corporate guarantees given by the Company, certain subsidiaries and third parties were pledged to secure the bank and other borrowings.

Material Acquisitions and Disposals

On 27 March 2024, the Group entered into a sale and purchase agreement with an independent third party for the disposal of the entire equity interest in Asiafame Development Limited, a wholly-owned subsidiary of the Group, and its subsidiaries, for a consideration of HK\$10,000. This transaction was completed on 16 August 2024. Details of which are set out in Company's announcement and circular dated 18 April 2024 and 26 July 2024, respectively.

On 23 December 2024, Dalian Jinrijunjian Paradise, an indirect wholly-owned subsidiary of the Company, entered into the land resumption agreement dated 23 December 2024 (as supplemented and amended by the supplemental agreement dated 10 January 2025) with the local authority (the “**Land Resumption Agreement**”), in respect of the resumption of the resumed land by the local authority pursuant to the terms and conditions of the Land Resumption Agreement. Pursuant to the Land Resumption Agreement, Dalian Jinrijunjian Paradise shall surrender the land located at Longwangmiao Village, Youyi Street, Jinzhou District, Dalian City, Liaoning Province, the PRC (parcel number: 210102) with an aggregate site area of approximately 246,091 sq. m., including all the fixture (such as constructions, structures and trees) on such land, to the local authority at a consideration by way of cash compensation of RMB109,000,000 (equivalent to approximately HK\$118,115,000). Details of which are set out in the announcement and circular of the Company dated 13 January 2025 and 14 February 2025, respectively.

Save for the aforementioned, there was no plan authorised by the Board for any material investments or additions of capital assets as at the date of this announcement.

Contingent Liabilities

As at 31 March 2025, the Group had no contingent liabilities (2024: nil).

Exposure to Fluctuations in Exchange Rates

The Group's operations are principally in the PRC and accordingly a majority part of its income and expenditure is denominated in RMB. The exchange rates of RMB against HK\$ and US\$ have been quite stable over the past years despite a steady depreciation in RMB has occurred during the Year. Also the Group's operations will not be unduly exposed to exchange rates fluctuations as all the major assets, mainly property development projects of the Group are located in the PRC and will generate RMB revenue to the Group. Except certain bank and other borrowings which are denominated in HK\$ which account for approximately 35.7% of the Group's total borrowings, all the other liabilities of the Group are denominated in RMB. Therefore, the Directors do not foresee that movement in the exchange rates of foreign currencies against RMB in the foreseeable future will cause a material adverse impact on the Group's operations.

The Group does not have a foreign currency hedging policy. However, the management of the Group continuously monitors the Group's foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Employees and Remuneration Policy

As at 31 March 2025, the Group had approximately 55 employees (2024: 46 employees) in the PRC and Hong Kong. The related employees' cost (including the Directors' remuneration and certain retrenchment costs) for the Year amounted to approximately HK\$29.6 million (2024: HK\$20.7 million). Employees are remunerated based on their work performance, skills and experience, and prevailing industry practice. Apart from basic salary and performance related bonus, the Group also provides other benefits to its employees including mandatory provident fund, medical insurance coverage and housing allowances.

PROSPECTS

While business activities in the PRC have been gradually resuming over the past year, the overall business environment remained challenging with the trade tensions initiated by the United State's trade tariff policy and ongoing geopolitical tensions. The central government continues to positively monitor the macro economy and has since launched various economic policies and measures to support the PRC property market and activate the capital market, as well as improve the business environment for different sectors. Following these positive factors, the PRC's economy has showed signs of improvement broadly, although the consumer confidence remains cautious and the real estate industry is still in an adjustment cycle in the near term. The Group will cautiously watch out for the outlook and the prospects of the real estate market and seize investment opportunities as appropriate.

Confronted with industry challenges, the Group will continue to formulate its business strategy along the direction of government policies, resolutely fulfill the Group's mission and corporate responsibility.

Going forward, the Group will cautiously continue to seek opportunities of participation in city redevelopment of old villages or old plants and factories to replenish its property portfolio as an ongoing business exercise and as a means of replenishing a lower cost land bank. For business development, the Group will also look for different thriving business opportunities that will benefit the Group in the years ahead.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company acknowledges the importance of good corporate governance practices and is committed to maintaining sound internal control, transparency and accountability to all shareholders. The Company has continued to apply and comply with the code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules throughout the Year, except for below deviations:

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separated and should not be performed by the same individual for a balance of power and authority. Mr. Jiang Ming is the Chairman and Managing Director of the Company. He is also one of the founders and a substantial shareholder of the Company and has considerable industry experience. The Board considers that this situation will not impair the balance of power and authority between the Board and the management of the Company because the balance of power and authority is governed by the operations of the Board which comprises experienced and high caliber individuals with demonstrated integrity. Furthermore, decisions of the Board are made by way of majority votes. The Board believes that this structure is conducive to a more precise and more promptly response to the fast changing business environment and a more efficient management and implementation of business process.

Further information on the Company's other corporate governance practices is set out in the Corporate Governance Report included in the annual report for the year ended 31 March 2025 which will be despatched to the Shareholders of the Company in due course.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the Company's code of conduct regarding Directors' securities transactions. Having made specific enquiry, all Directors confirmed that they have complied with the requirements as set out in the Model Code during the Year or (where appropriate) during his/her tenure as a Director in the FY2025. Relevant employees who are likely to be in possession of unpublished inside information of the Group are also subject to compliance with written guidelines on no less exacting terms than the Model Code.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the shares of the Company during the Year.

SCOPE OF WORK OF THE INDEPENDENT AUDITOR

The figures set out in this announcement in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereon for the year ended 31 March 2025 have been agreed by the Company's auditor, Prism Hong Kong Limited (formerly known as Prism Hong Kong and Shanghai Limited) ("**Prism**"), to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 March 2025. The work performed by Prism in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no opinion or assurance conclusion has been expressed by Prism on this announcement.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") has reviewed the accounting policies and practices adopted by the Group and discussed and reviewed the audit objectives, the scopes and the report of the internal audit department of the Group. The annual results of the Group for the year ended 31 March 2025 have been reviewed by the Audit Committee.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company (the "**2025 AGM**") is proposed to be held on Friday, 12 September 2025. A notice convening the 2025 AGM will be published and despatched to the shareholders of the Company in the manner as required by the Listing Rules in due course.

DIVIDENDS

The Board does not recommend the payment of a dividend for the year ended 31 March 2025 (2024: nil).

SHARE CONSOLIDATION

On 13 November 2023, the shareholders at the special general meeting approved share consolidation on the basis that every ten (10) issued and unissued existing shares of HK\$0.10 each will be consolidated into one (1) consolidated share of HK\$1.00 each. The consolidation was implemented on 15 December 2023. 4,146,020,285 existing shares of par value HK\$0.10 each successfully converted into 414,602,028 consolidated shares par value of HK\$1.00 each which are fully paid or credited as fully paid.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining shareholders' eligibility to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Tuesday, 9 September 2025 to Friday, 12 September 2025 (both days inclusive). In order to be eligible to attend and vote at the 2025 AGM, all transfers accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong, not later than 4:30 p.m. on Monday, 8 September 2025.

PUBLICATION OF ANNUAL REPORT

The annual report of the Group for the year ended 31 March 2025 containing all the information required by the Listing Rules will be despatched to the shareholders and published on the websites of the Stock Exchange (<http://www.hkex.com.hk>) and the Company (<http://www.coastal.com.cn>) in due course.

By Order of the Board
Coastal Greenland Limited
Jiang Ming
Chairman

Hong Kong, 30 June 2025

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.