



## **Coastal Greenland Announces 2007/08 Annual Results Net Profits Surges by 188% to HK\$364.7 Million**

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***Diversified Geographic Coverage and  
Satisfactory Track Records Capture Every New Opportunity***

### ***Financial Highlights***

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- Revenue increased by 85% to HK\$3,722.2 million
  - Net profit rose to HK\$364.7 million despite a net non-operating charge of approximately HK\$172.7 million arising from fair value adjustment for the derivative liability in connection with issue of convertible bonds and warrants, an increase of 188%
  - Gross profit margin improved from 24% last year to 33% for the year under review
  - Basic earnings per share were HK13.81 cents
  - Record high revenue from property sale at HK\$3,710.7 million, an 85% increase compared to last year
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(Hong Kong, 16 July 2008) – Coastal Greenland Limited (“Coastal Greenland” / the “Group”) (SEHK stock code: 1124), a leading Mainland China property developer, announced its annual results for the year ended 31 March 2008.

For the year under review, the Group reported revenue of approximately HK\$3,722.2 million, representing an increase of 85% against HK\$2,012.2 million of the last financial year. Net profit attributable to shareholders surged 188% to HK\$364.7 million (2006/07: HK\$126.7 million) despite that there was a net non-operating charge of HK\$172.7 million arising from fair value adjustment for the derivative liability in connection with the issue of the convertible bonds and warrants. Before interest, taxation, depreciation and the net non-operating charge of the HK\$172.7 million, the profit for the Group is about HK\$1,281.9 million, an increase of about 105% as compared to that of last year on a same basis. Basic earnings per share were HK13.81 cents (2006/07: HK5.69 cents). Due to the increase in selling price of the properties completed during the review period, the Group’s gross profit margin improved from 24% last year to 33%.

As at 31 March 2008, net debt to total equity ratio, which is expressed as a percentage of net borrowings over total equity of the Group, decreased by 25% to 91% against 116% last year. The improvement was mainly attributable to the issue of new shares pursuant to the conversion of convertible bonds and the exercise of the granted shares options and more importantly, the significant profit was made during the financial year.

**Mr. Chan Boon Teong, Chairman of Coastal Greenland**, said, “Thanks to the rising housing demand in China and the country's growingly affluent urban dwellers, we achieved encouraging results for the year, with revenue and net profit better than those of the previous year. Coastal Greenland is also proud to have been named by an authoritative PRC real estate research team among the top 10 most valuable Chinese real estate company brands for four consecutive years between 2004 and 2007. All these achievements are proof of the Group's success in delivering to home buyers projects that built in healthy residential features over the years and gaining recognition in the competitive mainland property market.”

The Group continues to reach the new height of its property sales segment, registering sales revenue growing 85% from HK\$2,002.7 million last year to HK\$3,710.7 million. The revenue was mainly generated from the sales of Phase III and V of Beijing Silo City, Phase I of Shanghai Riviera Garden, Phases I and II of Dongguan Riviera Villa, Phase I of Wuhan Silo City and Phase III of Jiangxi Riviera Garden. For the year under review, the Group completed development projects of total gross floor area of approximately 795,800 sq. m., about 63% more than in the previous year, of which approximately 762,675 sq. m. were attributable to the Group.

In addition, the disposal of 80% equity interest in the residential development project in Shenyang to a strategic partner was completed by the Group and brought approximately HK\$40.8 million gain to the Group. The disposal of 20% equity interest in the commercial development project in Shenyang is expected to be completed in late July this year and will be booked in the next financial year ending 31 March 2009.

For the year under review, the Group raised US\$150 million by the issue of certain 12% guaranteed senior notes due 2012. The net proceeds raised was used to redeem US\$77.5 million senior notes due 2008, and to finance the Group's acquisition of new development projects and general corporate use. Moreover, it also indicated the positive view and confidence that the institutional investors have on the Group's future development.

With proven track records, diverse geographic coverage and strong financial resources, Coastal Greenland is well prepared to capture every new opportunity in the property market. Currently the Group had land reserve with total gross floor area of approximately 4.6 million sq. m.. It is the Group's intention to maintain land bank reserve that is sufficient for the Group's rolling three to four years property development needs. The Group will also build a quality commercial property investment portfolio to include offices, retail shops and hotels at prime locations in major cities in the PRC and increase the proportion of investment properties to about 30% of the Group's total property portfolio in the next three to five years so as to generate recurring income and capture potential value appreciation of the properties.

“Looking to the future, we believe the various macro economic control measures implemented by the Chinese government will help stabilize the property market and ensure its sustainable development in the long run. That will work in favour of developers like Coastal Greenland with rich resources and capital, allowing us to consolidating our standing in the industry. Riding on the strategic plans already in place, we hope to maintain steady growth and deliver the maximum value to our shareholders in the years ahead,” **Mr. Chan** concluded.

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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 16 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 four consecutive years since 2004. 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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