



Coastal Greenland Announces 2013/14 Annual Results

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Contracted Sales Increases 13%

Seeking Co-investment Opportunities in the Development Projects

(Hong Kong, 26 June 2014) – Leading Mainland China property developer **Coastal Greenland Limited** (“Coastal Greenland” / the “Group”) (SEHK stock code: 1124), today announced its annual results for the year ended 31 March 2014.

For the year under review, the Central Government continued to implement a series of austerity policies to combat the volatile property market in the PRC. As lesser amount of properties were completed and delivered to purchasers during the year, the Group recorded revenue of HK\$2,781 million (2012/13: HK\$3,717 million). During the year, the Group’s gross profit margin was around 19% (2012/13: 24%). Profit attributable to owners of the Company was HK\$64.8 million (2012/13: HK\$92.6 million). Basic earnings per share were HK2.14 cents (2012/13: HK3.10 cents (restated)).

However, due to robust demand, both the prices and the number of transactions continued to rise despite the austerity measures were in place. The Group’s contracted sales for the year under review increased by 13% to HK\$4,033 million (2012/13: HK\$3,567 million), which corresponds to a total GFA of about 431,000 sq.m. (2012/13: 338,000 sq.m.). As the Group’s developed projects have been gradually completed and delivered to purchasers, this, plus the commencement of sales of new property projects mean that the Group’s overall performance should further improve in the future.

Mr Jiang Ming, Chairman and Executive Director of Coastal Greenland, said, “In view of evolving economic and regulatory environment, the Group has reviewed and evaluated its business strategy accordingly. In recent years, we have been searching for co-investment opportunities in the development projects such that it can enlarge our property portfolio without escalating our financial burden. The Group is keen to promote its new business segment of project investment service as well as project management and construction. Notwithstanding the opaque circumstances, the Group is optimistic about the real estate market which is buttressed by the government’s macro-economic policy, namely ‘stabilizing growth, restructuring the economy and promoting reforms’. Other long term favorable factors include steady economic growth, continuous urbanization growth leading to increasing the number of first-time home-buyers and the middle-class’ desire to improve living conditions.”

During the year, the Group’s recognised sales revenue from the property development segment was HK\$2,375 million (2012/13: HK\$3,333 million), while the total GFA delivered was 272,000 sq.m. (2012/13: 355,000 sq.m.). The property sales revenue for the year mainly came from the sale of Phase II section B1 of Dalian Jianzhu Project, Phase VI section A1 of Wuhan Silo City, Phase IV section A2 of Beijing Silo City, Phase V section AB of Wuhan Silo City which respectively represented about 28%, 26%, 13% and 7% of the total property sales revenue. The remaining 26% was derived from sale of remaining inventory in the prior phases of the Group’s completed development projects.

As at 31 March 2014, the Group has generated total sales revenue of about HK\$1,704 million from pre-sale of its properties under development with a total GFA of about 282,000 sq.m., contributing mainly from Phase VI section A2 of Wuhan Silo City, Phase VI section A of Dongguan Riveria Villa, Chongqing Coastal Silo City and Shenyang Coastal International Centre which are expected to be completed and delivered in the coming two years. Besides, the Group completed development projects, namely Phase VI section A1 of Wuhan Silo City, Phase V section AB of Wuhan Silo City, Phase II sections B1 and B2 of Dalian Jianzhu Project with a total GFA of approximately 280,000 sq.m.

In recent years, the Group has been searching for co-investment opportunities in the development projects such that it can enlarge its property portfolio without escalating its financial burden. During the year, the Group disposed its equity interest in certain property-based subsidiaries, and realised a profit of about HK\$65.9 million.

For the property management business, profit recorded by the property management operations was about HK\$6.4 million. On the other hand, revenue from project management and construction increased by about 6% to HK\$396 million from last year's HK\$374 million. The project management and construction segment for the year recorded a profit of HK\$19.4 million. Under the current business strategy, the Group will devote more of its efforts and resources for boosting the business of this segment.

As for the property rental business, the Group's revenue from property rentals was HK\$2.0 million. The property investment segment for the year recorded a profit of HK\$1.1 million comparing to a loss of HK\$256.5 million for last year. Under the current business strategy, the Group will lessen its investment in the property investment segment.

In March 2014, the Group issued 1,395,291,428 shares at a price of HK\$0.25 per share by way of an open offer on the basis of one offer share for every two existing shares pursuant to a circular dated 19 February 2014. Accordingly, the total equity was increased by HK\$349 million.

Looking ahead, **Mr Jiang** concluded, "Property developers will continue to face a challenging environment because of the intense competition and a volatile real estate market. However, the Group has a pre-eminent brand and consummate experience in the property market. It will heed its geographically well-distributed and diversified prominent property portfolio. Thus, we will continue to optimize the land reserves, ameliorate the competitiveness of our products and the project management and construction services. Finally, the Group will strenuously appraise various sources of funding so as to consolidate its financial capability for sustainable development in the foreseeable future."

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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 20 years. The Group's investment is focused mainly within three major economic zones in Mainland China (the Bohai Economic Rim, the Yangtze River Delta Region and the Pearl River Delta Region) and it leverages its proven cross-regional operating capabilities and comprehensive management system. Coastal Greenland has garnered many awards for its prominent presence in the PRC property market, including the "Top 10 Most Valuable Real Estate Company Brand in China" for ten consecutive years between 2004 and 2013, as well as the "China Blue Chip Real Estate Corporation" honour for 3 consecutive years between 2007 and 2009.

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