

[For Immediate Release]

Coastal Greenland 2005/06 Interim Profit Increased 90% to HK\$75.91 Million

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Benefits from Broad Geographical Coverage Continues to Report Growth Despite Austerity Measures

Highlights

- The Group's turnover increased by 26% to HK\$538 million
- Net profit surged to HK\$75.91 million, equivalent to growth of 90%
- Basic earnings per share was HK3.75 cents
- Interim dividend HK1 cent per share
- Turnover from sale of properties rose by 28% to about HK\$527 million

(Hong Kong, 27 December 2005) – **Coastal Greenland Limited** (“Coastal Greenland” / the “Group”) (HKEx: 1124), a leading Mainland China property developer, today announced its interim results for the six months ended 30 September 2005.

For the six months ended 30 September 2005, the Group recorded a turnover of HK\$538 million, representing an increase of HK\$111 million compared to HK\$427 million of the last corresponding period. Net profit attributable to shareholders increased by 90%, amounted to HK\$75.91 million (2004/05 interim: HK\$39.94 million). Basic earnings per share was HK3.75 cents (2004/05: HK1.97 cents). Interim dividend HK1 cent per share.

Mr. Chan Boon Teong, Chairman of Coastal Greenland, said, “Despite the introduction of austerity measures by the central government in the PRC to cool down the market, the Group, benefiting from the diverse geographic locations of its developments was able to reduce the risk from relying on any one single market and continued to report growth. Higher sales volume and widened profit margin also explained the advancement in our results.”

Sale of properties reported substantial improvement, as reflected in the 28% increase in turnover to about HK\$527 million compared to HK\$412 million of the last corresponding period. Turnover for the period was mainly derived from the sale of Phase III of Wuhan Lakeside Apartment, Phase V of Anshan Greenland IT City, Anshan Riviera Garden, Phase I of Beijing Sunvilla Realhouse and the land parcel of Phase V of Wuhan Lakeside Apartment, accounting for 46.69%, 13.86%, 12.51%, 8.60% and 18.03% respectively of the turnover from sale of properties. The balance of 0.31% was contributed by the sale of certain remaining commercial area in Phase IV of Xiamen Lu Jiang New City and Xiamen Xiang Jiang Garden.

Turning to the leasing business, the disposals of the commercial area in Wuhan Wah Zhong Trade Plaza in the past year and the current reporting period led to a 27% decrease in turnover from property rental, which stood at about HK\$9.7 million for the period. Nevertheless, the disposals of the properties generated significant cashflow and contributed substantial profit to the Group. Leasing performance of the commercial/office area held by the Group in Shanghai Golden Bridge Mansion improved, generating a positive contribution to the Group.

Performance of property management operations also improved slightly, with turnover increasing by about 9% against the last corresponding period and the negative result was narrowed down to HK\$417,000 from HK\$559,000 in the last period.

The outstanding performance of the Group caught the attention of Mellon HBV, an investment fund based in the US providing global wealth management services. In July 2005, Coastal Greenland entered into a Subscription Agreement with Mellon HBV regarding the issue and subscription of Senior Notes, Additional Notes and Convertible Bonds of an amount of US\$17.5 million (equivalent to approximately HK\$136.5 million), US\$30 million (equivalent to approximately HK\$234 million) and US\$12.5 million (equivalent to approximately HK\$97.5 million) respectively. Mellon HBV acquired 3.86% stake in the Group by converting the first tranche of the convertible bonds in December 2005. The proceeds will be used to speed up the Group's property development and land acquisition.

In 2005, for the second consecutive year, Coastal Greenland made the top 10 most valuable Chinese real estate company brands list published by the authoritative China real estate research team form by the Ministry Corporate Research Center, the Tsinghua University Real Estate Research Center and the China Index Research Center.

“Looking ahead, with the government's austerity measures taken into account, the Group remains cautiously optimistic about the overall development of the Mainland real estate market, for housing demand driven by economic growth and urbanization in the country is expected to continue. I believe that, with a strong industry reputation, sound business strategies and proven capabilities, we will continue to make strides in our performance.” Mr. Chan concluded.

About Coastal Greenland Limited

Established in Hong Kong in 1990, Coastal Greenland Limited (“Coastal Greenland”) (HKEx: 1124) has been investing in the Mainland China property market for 15 years. The Group's investment is focused mainly in a dozen cities in the city circles of six major economic zones, namely Northeastern China, the Yangtze River Delta, the Pearl River Delta, along the Bohai Bay, and Central and Western China. Coastal Greenland has received many awards for its superior product quality, including the “Top 10 Most Valuable Real Estate Company Brand in China in 2004 and 2005 ” ranked by the “China Real Estate Top 10 Research Team”. It also made the list of the most influential brands in China published by the World Brand Lab in 2005.

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