



Coastal Greenland Announces 2006/07 Interim Results Net Profit Rises to HK\$77.52 Million

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***Continues to Maintain Broad Geographic Coverage
Encouraging presale revenue achieved
Poised to Capture New Opportunities***

Highlights

- Turnover amounted to HK\$192 million
- As at 30 September 2006, the Group's total sales revenue from presale of developing properties was about HK\$2,163 million, of which about HK\$1,299 million will be attributable to the Group. Such presale revenue will be recognized as turnover when those projects are completed.
- Net profit rose to HK\$77.52 million, equivalent to 144% growth despite a non-operating charge of approximately HK\$6.6 million arising from fair value adjustment for the derivative liability in connection with the issue of convertible bonds
- Interim dividend of HK1 cents per share was declared

(Hong Kong, 27 December 2006) – **Coastal Greenland Limited** (“Coastal Greenland” / the “Group”) (SEHK stock code: 1124), a leading Mainland China property developer, announced its interim results for the six months ended 30 September 2006.

For the period under review, net profit of the Group increased by 144% to approximately HK\$77.52 million despite that there was a non-operating charge of approximately HK\$6.6 million arising from fair value adjustment for the derivative liability in connection with the issue of convertible bonds. As accounting standard requires the Group to recognize revenues from property sales only after a project is completed, with Phase I of Jiangxi Riviera Garden as the only completed project during the review period, the Group's turnover decreased by 56% to approximately HK\$192 million against HK\$440 million in the last corresponding period. Presale performance of properties was however encouraging bringing in revenue totaling HK\$2,163 million as at 30 September 2006. Basic earnings per share were HK3.66 cents (2005/06: HK1.57 cents).

To reward shareholders for their continuous support, the Board of Directors declared the payment of an interim dividend of HK1 cents per share for the six months ended 30 September 2006.

Mr. Chan Boon Teong, Chairman of Coastal Greenland, said, “During the six-month period, the Chinese economy and property market continued to grow. Presale of the Group’s developing properties, including Phases I, II and III of Beijing Silo City, Phase II of Beijing Sunvilla Realhouse, Phase IA of Dongguan Riviera Garden, Phase I of Shanghai Riviera Garden and Phase IV of Anshan Greenland IT City has been encouraging, generating a total presale revenue of approximately HK\$2,163 million of which approximately HK\$1,299 million was attributable to the Group.”

During the review period, sales of properties continued to be the Group’s major revenue source, bringing in turnover of approximately HK\$187 million. The revenue was mainly attributable to the sale and delivery of Phase I of Jiangxi Riviera Garden, Phase I of Beijing Sunvilla Realhouse, Phase IV of Wuhan Lakeside Apartment and Phase V of Anshan Greenland IT City, which accounted for 37.89%, 29.93%, 19.18% and 9.95% respectively of the turnover from property sales. The balance of 3.05% was contributed by the sales of certain remaining commercial and car park spaces in Xiamen Lu Jiang New City and Fu Zhou Mansion.

As for the leasing business, the disposal of the remaining area of Wuhan Wah Zhong Trade Plaza last year accounted for the decrease in turnover from property rental, which was reported at HK\$3 million (2005/06: HK\$9.7 million). The amount was mainly derived from the commercial/office areas the Group held in Shanghai Golden Bridge Mansion.

The Group’s property management operations turned around from loss during the six-month period, registering a profit of approximately HK\$400,000, against loss of approximately HK\$417,000 in the same period last year.

During the review period, the Group acquired interests in three development projects including the Dalian Xinghai Bay project, the Beijing Shunyi project and Chengdu Dujiangyan project. The residential and/or commercial properties have a total estimated gross floor area of about 820,000 square metres. The Group will continue to look for and acquire suitable sites to boost its land bank for future development.

With a solid business foundation and promising prospects, the Group caught the attention of a number of institutional investors. In April 2006, the Group entered into a subscription agreement with three institutional investors in relation to the issue and subscription of senior notes of US\$40 million. In July 2006, the Group entered into another subscription agreement with Citadel Equity Fund (“Citadel”) regarding the issue of convertible bonds of US\$40 million and senior note of US\$20 million. The proceeds from these fund raising transactions have enhanced the Group’s financial capability to take on more new development projects and expand operations.

Mr. Chan added, “Investors’ interest in Coastal Greenland is a reflection of their confidence in our fundamentals and the Group’s future. Subsequent to the balance sheet date, Shenzhen Investment Limited (“Shenzhen Investment”) (SEHK stock code: 604) acquired the Group’s convertible bonds and certain shares of the Company from Citadel. The widened shareholder base definitely works in favor of the Group’s long term development.”

During the six-month period, the Group made a strategic move to acquire 21.13% of the issued share capital of Shanghai Fenghwa Group Company Limited (“Shanghai Fenghwa”) at a total consideration of approximately HK\$64 million. Listed on the Shanghai Stock Exchange, Shanghai Fenghwa and its subsidiaries are principally engaged in industrial investment management, rental of properties, property management, hotel management, stationery and sporting goods, crafting items, packaging materials and business consultancy. This acquisition has provided opportunities for the Group to further develop its business in the PRC market.

Mr. Chan concluded, “Looking ahead, with more stringent requirements and financial demands imposed on property developers, larger developers with more resources would have advantage over smaller players. Coastal Greenland has laid a solid foundation in the PRC property market and is about to harvest the fruits of years of hard work. We will strive to grow our business and maintain a quality and geographically diversified property portfolio, that we may seize every opportunity for speeding up business development and maximize value for our shareholders.”

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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 16 years. The Group’s investment is focused mainly in cities 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 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 three 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.

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