



Coastal Greenland Announces 2007/08 Interim Results

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Turnover Increases by 6.8 Folds to HK\$1,503 Million

Financial Highlights

- Turnover increased by 6.8 folds to HK\$1,503 million
 - Net profit was HK\$209 million, before a non-cash charge of HK\$222.5 million arising from fair value adjustment for derivative liability in connection with the issue of convertible bonds
 - Gross profit margin improved to 28%
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(Hong Kong, 28 December 2007) – **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 2007.

During the period under review, the Group’s turnover increased by 6.8 folds from HK\$192.1 million in the corresponding period last year to approximately HK\$1,503 million. The overall gross profit margin improved to 28%, compared with about 24% for the full financial year ended 31 March 2007. Net profit was HK\$209 million, before a non-cash charge of HK\$222.5 million arising from fair value adjustment for derivative liability in connection with the issue of convertible bonds resulting from the increase in share price of Coastal Greenland shares during the period under review. Due to this non-operating charge, the Group recorded a loss attributable to equity holders of HK\$13.5 million. The convertible bonds were fully converted into share capital of Coastal Greenland in July 2007 and the Group will not incur such a non-cash charge for the convertible bonds in the future.

The Board of Directors does not recommend the payment of an interim dividend for the six months ended 30 September 2007.

Mr. Chan Boon Teong, Chairman of Coastal Greenland, said, “Riding on a thriving property market, we have recorded very strong property sales, contributing to the inspiring growth of the Group’s turnover during the period under review. Moreover, we have stepped up effort to develop more quality property projects, bringing the total gross floor area of developments completed to 350,400 square meters, increased by 6.5 times compared to the last corresponding period.”

During the period under review, revenue from the sale of properties which increased significantly to HK\$1,499 million, continues to be the major income source for the Group. Such revenue was derived from the sale and completion of four development projects, namely, Phase III of Beijing Silo City, Phase I of Shanghai Riviera Garden, Phase IA of Dongguan Riviera Villa and Phase IA of Wuhan Silo City, along with the sale of the Group's previously launched projects. The Group also registered a disposal gain of HK\$39.0 million for the disposal of 80% equity interest in the Shenyang Hunnan development project.

As for the property investment segment, the Group recorded a slight decrease in turnover of its leasing business to approximately HK\$3.1 million. The rental income was mainly derived from properties the Group held in Shanghai Golden Bridge Mansion and Shenyang Dongbei Furniture and Ornaments Plaza. The recently completed retail shops in Phases I and II of Beijing Silo City with a total gross floor area of about 10,000 square meters have started to contribute rental income in the second half of the year. Overall, contribution from the segment increased significantly to HK\$14.2 million during the period under review, mainly attributable to a revaluation surplus of the retail shops in Phases I and II of Beijing Silo City.

As for the property management segment, an improved profit of approximately HK\$500,000 was registered during the period under review. With the Group's dedicated effort in providing integrated and value-added services, the Group's relationship with tenants and owners was greatly enhanced, consequently strengthening the brand image of Coastal Greenland.

Subsequent to the balance sheet date, Coastal Greenland issued certain 12% guaranteed senior notes due 2012 attached with 111,622,500 warrants for an aggregate principal amount of US\$150 million. Each of the warrants has the right to subscribe an ordinary share of Coastal Greenland of HK\$0.10 each at an exercise price of HK\$2.46 per share. The Group raised net proceeds of approximately US\$142 million, of which US\$77.5 million has been used to redeem the existing senior notes due 2008, and the balance will be used for acquisition of new development projects and general corporate use.

Mr. Chan added, "Taking into account the issuance of the new senior notes and redemption of existing ones, the pro forma net debt to total equity ratio will be improved from the 31 March 2007 level of 116% to 97%."

Looking ahead, Coastal Greenland will adhere to its two-pronged business development strategy, i.e. growing the residential property development business and building up a quality commercial property investment portfolio. For investment property portfolio building, the Group will retain quality commercial properties in its developments including offices, retail shops and hotels as investment properties to increase recurring rental income. More importantly, the Group will prudently and continuously search for premium land reserves that lead to new property developments and sustainable growth.

“Fueled by the booming PRC economy, appreciation of the Renminbi and the government’s investment in urban construction, demand for properties in China will continue to grow. The austerity control efforts of the Central Government will also bring about steady and sustainable development of the property market. Accordingly, Coastal Greenland will continue to develop quality property projects and actively market them to boost sales. We will also maintain a geographically diversified property portfolio to ensure balanced growth and fortify our leading position as a nationwide integrated property developer,” concluded **Mr. Chan**.

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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.

For enquiries:

Strategic Financial Relations Limited

Mandy Go / Benny Liu / Katrina Leung

Tel : (852) 2864 4812 / 2114 4953 / 2864 4857

Fax : (852) 2804 2789 / 2527 1196

Email : mandy.go@sprg.com.hk / benny.liu@sprg.com.hk / katrina.leung@sprg.com.hk