



Coastal Greenland Announces 2008/09 Interim Results Reports Profit Attributable to Equity Holders of HK\$27.7 Million

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***Boasts Portfolio with Extensive Geographical Coverage
Poised to Thrive when Market Rebounds***

Financial Highlights

- Net profit attributable to shareholders was approximately HK\$27.7 million, a turnaround from a loss of about HK\$13.5 million for the last corresponding period.
 - Revenue was HK\$386.1 million
 - Gross profit margin was 27%
 - Property sales and property rental amounted to HK\$378.8 million and HK\$3.9 million respectively
 - Total pre-sale revenue as at 30 September 2008 is HK\$1,995 million of which about HK\$1,926 million is attributable to the Group
 - Poised to thrive when the market rebounds with the support of a portfolio that has extensive geographical coverage
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(Hong Kong, 19 December 2008) – Leading Mainland China property developer **Coastal Greenland Limited** (“Coastal Greenland” / the “Group”) (SEHK stock code: 1124) today announced its interim results for the six months ended 30 September 2008.

During the period under review, the Group managed to turn around its business with net profit at approximately HK\$27.7 million, versus a loss of HK\$13.5 million in the corresponding period last year. It reported a revenue of HK\$386.1 million for the period, an about 75% drop as compared to HK\$1,539.4 million for the corresponding period last year, and gross profit margin at 27%. The lower revenue was because the Group had fewer development projects completed during the review period and remaining units of past projects were sold at lower prices.

As at 30 September 2008, the Group had registered total pre-sale revenue of approximately HK\$1,995 million from pre-sale of properties, namely Phases VI and VII of Beijing Silo City, Phase IV of Jiangxi Riviera Garden, Phase I of Dalian Xinghai Bay Project, Phase I of Shenyang Hunnan Residential Project and Phase II of Wuhan Silo City. Of the amount, approximately HK\$1,926 million was attributable to the Group. Out of the pre-sale revenue as at 30 September 2008, the amount for development projects due to be completed in the second half of the financial year is approximately HK\$811 million, of which approximately HK\$755 million will be attributable to the Group.

The Board of Directors does not recommend payment of interim dividend for the six months ended 30 September 2008.

Mr. Chan Boon Teong, Chairman of Coastal Greenland, said, "Owing to the various austerity measures imposed by the Chinese government on the real estate sector, the mainland property market had cooled down during the review period as reflected in a marked drop in transaction volume. However, we have seen the PRC central government has recently announced certain economy stimulating package and relaxation in the austerity measures which we believe will help to improve the sluggish market situation in the property sector in the PRC. With a well-recognized corporate brand and a project portfolio that boasts extensive geographical coverage, and having implemented a series of cost reduction programs to enhance operational efficiency and its competitiveness, the Group is well-prepared to capture new opportunities when the market rebounds."

Property development segment was the main income driver of the Group during the review period, making revenue of HK\$378.8 million which was contributed from the sale of Phase IIB of Beijing Sunvilla Realhouse that was completed during the period and from property sale of remaining units of projects completed last year including Phase I of Shanghai Riviera Garden, Phase II of Dongguan Riviera Villa, Phase I of Wuhan Silo City, Phase III of Jiangxi Riviera Garden, Phase V of Beijing Silo City. They accounted for about 14%, 58%, 14%, 8%, 3% and 3% respectively of the total property sales revenue. In addition, the Group registered a gain of HK\$2.6 million from the disposal of 20% equity interest in the Shenyang Hunnan development project.

As for the leasing business, it made a turnover of approximately HK\$3.9 million, up by 27% against the same period last year, mainly from rental of properties in Shanghai Golden Bridge Mansion, Shenyang Dongbei Furniture and Ornaments Plaza and of retail shops in Phases I and II of Beijing Silo City. The profit from property investment segment decreased to HK\$1.8 million (2007: HK\$14.2 million) mainly because there was no revaluation gain recorded for the review period.

In addition to property development and investment, the Group also provides integrated and value-added property management services to foster good relations with tenants and property owners and as a means to strengthen brand image. For the review period, its property management operations recorded a profit of about HK\$1.2 million.

Moving forward, despite the current uncertain economic environment, the Group believes the mainland property sector is fundamentally healthy and stands well to benefit from the various measures – relaxation of monetary policies and government investment commitments – recently announced by the central government to stimulate the economy and encourage domestic consumption. The industry is expected to benefit from a more relaxed credit environment and substantial fiscal spending, supported by the determination of the PRC central government to hold its GDP growth to 8% level in the year of 2009.

“The Group has weathered some very tough economic climates in its 18-year history. Facing with the current challenges, the Group will focus on developing its existing development projects, striving to improve product quality and implementing cost rationalization measures so as to enhance its competitiveness. We will seek to capitalize on our superior corporate brand to boost sales. The Group believes, as before, it will come out of the turbulent market healthier, stronger and more competitive,” **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 five 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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