



Coastal Greenland Announces 2012/13 Interim Results

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Further Strengthens the Property Development Projects Amidst the Challenging Market Conditions

(Hong Kong, 30 November 2012) – Leading Mainland China property developer **Coastal Greenland Limited** (“Coastal Greenland” / the “Group”) (SEHK stock code: 1124), has announced today its interim results for the six months ended 30 September 2012.

During the period under review, the Group has recorded a revenue of HK\$1,198 million (2011/12 Interim: HK\$2,108 million). The decrease was mainly attributable to lesser amount of properties were completed and delivered to purchasers during the review period. Gross profit margin remained at about 31% (2011/12 Interim: 30%), and basic earnings per share increased to HK3.08 cents (2011/12 Interim: HK1.91 cents (restated)).

Profit attributable to equity holders of the Group surged about 61% to HK\$86 million compared to the corresponding period in last year, owing to a gain on disposal of an associate, Shanghai Fenghwa Group Co., Ltd.

Mr Chan Boon Teong, Chairman of Coastal Greenland, said, “During the first half of the year, China’s Central Government has continued the implementation of a number of austerity measures on the real estate sector, including home purchase restrictions and tighter credits, in order to curb the speculation and investment demand. The market recently has experienced a limited rebound from a slight easing in monetary policy along with the strategy of developers to adjust prices downward. Although the real estate market remains volatile and challenging and competition among property developers remains intense, we are optimistic about the long-term development of the property market. We expect prosperous growth of Coastal Greenland driven by the long-term continuous expansion of China’s economy, combined with the strong housing demand generated by continuous urbanisation and desire for a better living environment by the growing middle class.”

During the review period, the recognised sales revenue from the property development segment was HK\$1,192 million (2011/12 Interim: HK\$2,101 million). The total gross floor area (“GFA”) delivered by the Group was 86,538 sq. m. (2011/12 Interim: 155,157 sq. m.). The property sales revenue for the period mainly came from the sale of Phase II of Shanghai Riviera Garden, Phase I of Dalian Coastal International Centre, Phase IV section A of Wuhan Silo City, Phase III of Beijing Sunvilla Realhouse and Phase I and II of Shenyang Silo City which respectively represented about 36%, 16%, 9%, 5% and 5% of the total property sales revenue. The remaining 29% was derived from sale of remaining inventory in the prior phases of the Group’s completed development projects. The Group’s contracted sales increased to HK\$1,958 million (2011/12 Interim: HK\$1,162 million), which corresponds to a total GFA of about 177,775 sq m (2011/12 Interim: 76,151 sq. m.).

As at 30 September 2012, the Group has generated a total sales revenue of about HK\$1,649 million from pre-sale of its properties under development with a total GFA of about 201,426 sq. m., contributed mainly from pre-sale of Phase III of Shenyang Hunnan Project, Phase IV of Dongguan Riviera Garden, Phase III of Anshan Wisdom New City and Western section (A1 and A2) of Phase IV of Beijing Silo City. These properties are all expected to be completed and delivered in the second half of the financial year.

The Group's property management operations recorded an increase in profit to about HK\$3.0 million as compared to the corresponding period in last year (2011/12 Interim: HK\$1.8 million). The Group is committed to providing integrated and value-added property management services to foster good relations with tenants and owners and strengthen its brand image.

Due to the disposal of certain retail shops in Beijing Silo City at the beginning of the review period, revenue from the Group's leasing business amounted to HK\$1.8 million (2011/12 Interim: HK\$3.0 million), which was mainly contributed from the properties in Suzhou Coastal International Centre and retail shops in Beijing Silo City. The property investment segment for the period has turned into a loss of HK\$299.2 million (2011/12 Interim: profit of HK\$0.5 million) because of a significant revaluation deficit of investment properties of HK\$300.3 million recorded for the period as compared to a HK\$2.9 million revaluation deficit for the last corresponding period.

On 16 October 2012,, the Group has entered into certain conditional sale and purchase agreements with Shenzhen Investment Limited ("SIL", together with its subsidiaries collectively referred to as the "SIL Group"), pursuant to which the Group will (i) dispose of and SIL Group will acquire the entire registered capital of Suzhou New Development Investment Co., Ltd., which is principally engaged in property development, property investment, hotel operation and property management in the PRC; and (ii) acquire and SIL Group will dispose of 30% of the registered capital of Huizhou Shum Yip Southern Land Company Limited, which is principally engaged in property development in the PRC. Through the Acquisition, the Group is to enrich its land portfolio in the Pearl River Delta Region, which is in line with its strategy to maintain a geographically well-diversified land portfolio for quality residential development without creating too much of a debt burden by means of co-investment.

Mr Chan concluded, "By leveraging our well-recognised corporate brand and long experience in the PRC property market, we will continue to focus on the development of our geographically well-diversified quality property portfolio, optimise our land reserve and strengthen our product competitiveness. Also, despite the tight credit environment, the Group will actively seek funding alternatives, so as to expand our property development portfolio, broaden our financial resources and support its sustained development."

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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 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 nine consecutive years between 2004 and 2012. 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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