



Coastal Greenland Announces 2013/14 Interim Results

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Government Policy and Long-term Favourable Factors Buttress Future Development in Property Market

(Hong Kong, 28 November 2013) – 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 2013.

During the period under review, the Group has recorded a revenue of HK\$1,280.1 million, an increase of approximately 7% as compared to HK\$1,197.8 million for the corresponding period of last year. This increase was mainly attributable to the project management and construction service revenue of HK\$194.8 million. Profit before taxation increased by approximately 47% to HK\$131.7 million.

Due to a lower selling price during the period and the increased proportion for the revenue of the relative low-profit-margin project management and construction service to the total revenue, the gross profit margin recorded for the review period was 24% (2012/13 Interim: 30%), maintaining at the same level as the whole financial year of 2012. Therefore, profit attributable to equity holders of the Group amounted to HK\$34.2 million, and basic earnings per share was HK1.22 cents (2012/13 Interim: HK3.08 cents).

In the first half of 2013, the government continuously implemented various tightening policies, such as the restrictions on acquisition of commodity houses, the mortgage policy and the additional decree of taxation on property transactions, with a view to regulating and tempering the property market. However, due to robust demand, both the prices and the number of transactions continued to rise despite these austerity measures were in place. Property developers’ appetite in the land acquisition remained strong.

During the period under review, the recognized revenue from property development segment was HK\$1,081.2 million (2012/13 Interim: HK\$1,192.4 million), whereas total GFA delivered by the Group increased to 145,161 sq.m. from 86,538 sq.m. in 2012. The property revenue for the period mainly came from the sale of Phase II section B1 of Dalian Jianzhu Project, Phase III of Anshan Wisdom New City, Phase IV of Dongguan Riviera Villa, Phase I of Dalian Coastal International Centre and Phase V section AB of Wuhan Silo City which respectively represented approximately 58%, 10%, 6%, 5% and 5% of the total property revenue. The remaining 16% was derived from sale of the prior phases of completed development projects. During the period, the Group recorded contracted revenue of HK\$1,554 million (2012/13 Interim: HK\$1,958 million) and a total GFA of 170,158 sq.m. (2012/13 Interim: 177,775 sq.m.).

As at 30 September 2013, the Group has generated a total revenue of HK\$1,509 million from pre-sale of its properties under development with a total GFA of 168,172 sq.m., contributing mainly from Phase IV western sections A1 and A2 of Beijing Silo City, Phase VI of Dongguan Riviera Villa, Phase VI section A of Wuhan Silo City and Phase II section B2 of Dalian Jianzhu Project which are expected to be completed and delivered in the coming two years.

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. Its property management operation recorded a profit of HK\$3.6 million for the period as compared to HK\$3.0 million for the corresponding period in 2012.

In the second half of 2012, the Group established project management and construction as one of its operating segments. Revenue and profit generated by this segment were HK\$194.8 million and HK\$40.1 million respectively. Under the current business strategy, the Group will continue to devote efforts and resources in order to boost the business of this segment. In addition, the Group has established project investment services segment during the review period. The Group generated a profit of about HK\$184.0 million from the operations of this segment.

As for the property rental business, the Group's revenue from this segment was HK\$0.3 million (2012/13 Interim: HK\$1.8 million), in which the rental income for the review period mainly derived from retail shops in Beijing Silo City. The decrease in revenue was mainly due to the disposal of certain retail shops in Beijing Silo City towards the end of the second half of last year. The loss for the property investment segment was improved significantly to HK\$0.2 million from HK\$299.2 million.

Looking forward, despite the challenging environment due to the intense competition and a volatile real estate market, the Group is optimistic about the real estate market which is buttressed by the government's macro-economic policy, namely 'stabilizing growth, restructuring the economy and promoting reforms'. Other long term favorable factors include steady economic growth, continuous urbanization growth leading to increasing the number of first-time home-buyers and the middle-class' desire to improve living conditions. The Group will consistently review and evaluate its business strategy in view of the evolving economic and regulatory environment, and continue to search for co-investment opportunities in the development projects such that it can enlarge its property portfolio without escalating its financial burden. The Group is keen to promote its new business segment of project investment as well as project management and construction.

With the Group's pre-eminent brand and consummate experience in the property market, Coastal Greenland will continue to heed its geographically well-distributed and diversified prominent property portfolio, optimize the land reserves, ameliorate the competitiveness of its products and the project management and construction services. Also, the Group will strenuously appraise various sources of funding so as to consolidate its financial capability for sustainable development in the foreseeable future.

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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 23 years. The Group's investment is focused mainly in three major economic regions in the PRC (Bohai Region, Yangtze River Delta and Pearl River Delta), and two major cities, namely Wuhan and Chongqing. 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" for ten consecutive years between 2004 and 2013. In addition, Coastal Greenland was awarded the "2007 China Blue Chip Real Estate Corporation" title.

For enquiries:

Strategic Financial Relations Limited

Esther Chan / Mandy Go / Gladys Kong

Tel : (852) 2864 4825 / 2864 4812 / 2864 4806

Fax : (852) 2804 2789 / 2527 1196

Email : esther.chan@sprg.com.hk / mandy.go@sprg.com.hk / gladys.kong@sprg.com.hk