COASTAL GREENLAND LIMITED
沿海綠色家園有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 1124)

ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2017

HIGHLIGHTS:

1. Profit for the year attributable to owners of the Company was about HK$707 million, representing a turnaround from last year's loss of about HK$123 million.

2. Revenue for the year amounted to about HK$1,131 million, an increase of 46% from last year.

3. Gross profit margin for the year was about 13% which marked an improvement from last year's gross loss of about 5%.

4. Contracted sales for the year amounted to about HK$3,744 million, a slight decrease of 3% from last year. Included in the amount was HK$2,411 million (2016: HK$2,751 million) related to contracted sales attributable to the development projects in which the Group has equity interests ranging from 12% to 40% and of which the Group is the project manager.

5. Net debt to equity ratio significantly decreased by about 90% to 74% from 164% last year.

The Board of Directors (the "Board") of Coastal Greenland Limited (the "Company") announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2017, together with the comparative figures for the previous year, as follows:

* *For identification purpose only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2017

	Notes	**2017**	2016
		HK$'000	*HK$'000*
			(Restated)
Continuing operations			
Revenue	*3*	**1,131,348**	775,043
Cost of sales		**(982,164)**	(817,456)
Gross profit (loss)		**149,184**	(42,413)
Other income and gains	*4*	**47,304**	71,101
Marketing and selling expenses		**(58,663)**	(54,148)
Administrative expenses		**(202,850)**	(207,217)
Other expenses		**(653,102)**	(206,546)
Finance costs	*5*	**(218,346)**	(126,814)
Share of (loss) profit of associates		**(10,961)**	3,696
Share of profit (loss) of joint ventures		**2,111**	(13,417)
Net gain on disposal of subsidiaries		**1,845,900**	5,670
Profit (loss) before taxation		**900,577**	(570,088)
Taxation	*6*	**(176,074)**	266,256
Profit (loss) for the year from continuing operations	*7*	**724,503**	(303,832)
Discontinued operations			
(Loss) profit for the year from discontinued operations	*8*	**(17,063)**	180,547
Profit (loss) for the year		**707,440**	(123,285)
Other comprehensive (expense) income			
Items that will not be reclassified to profit or loss			
Exchange differences arising on translation to presentation currency		**(201,763)**	(195,574)
Surplus on revaluation of buildings		**–**	24,563
Deferred tax charge arising on revaluation of buildings		**–**	(6,141)
Other comprehensive expense for the year		**(201,763)**	(177,152)
Total comprehensive income (expense) for the year		**505,677**	(300,437)

	Notes	2017 HK$'000	2016 HK$'000 (Restated)
Profit (loss) for the year attributable to owners of the Company:			
from continuing operations		**724,515**	(303,815)
from discontinued operations		**(17,063)**	180,547
Profit (loss) for the year attributable to owners of the Company		**707,452**	(123,268)
Loss for the year attributable to non-controlling interests:			
from continuing operations		**(12)**	(17)
from discontinued operations		**–**	–
Loss for the year attributable to non-controlling interests		**(12)**	(17)
		707,440	(123,285)
Total comprehensive income (expense) attributable to:			
Owners of the Company		**507,984**	(298,477)
Non-controlling interests		**(2,307)**	(1,960)
		505,677	(300,437)
		HK cents	*HK cents*
Earnings (loss) per share	*9*		
From continuing and discontinued operations			
Basic and diluted		**16.90**	(2.94)
From continuing operations			
Basic and diluted		**17.31**	(7.25)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2017

	Notes	2017	2016
		HK$'000	*HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**226,952**	241,596
Investment properties		**205,781**	219,250
Prepaid land lease payments		**44,087**	48,876
Pledged deposits for other borrowing		**–**	196,698
Interests in associates		**2,349,141**	724,963
Interests in joint ventures		**360,813**	382,233
Amounts due from associates and joint ventures		**332,095**	233,820
Available-for-sale investments		**163,133**	170,017
Total non-current assets		**3,682,002**	2,217,453
CURRENT ASSETS			
Properties under development		**4,637,424**	9,776,748
Completed properties for sale		**1,380,756**	992,917
Trade receivables	*10*	**1,461**	2,040
Prepayments, deposits and other receivables		**2,759,669**	2,968,203
Amounts due from associates and joint ventures		**736,767**	1,015,834
Prepaid tax		**21,920**	94,999
Pledged bank deposits		**412,214**	390,305
Cash and bank balances		**942,778**	433,535
		10,892,989	15,674,581
Assets classified as held for sale	*11*	**1,121,937**	–
Total current assets		**12,014,926**	15,674,581

	Notes	2017 HK$'000	2016 HK$'000
CURRENT LIABILITIES			
Trade and bills payables	*12*	**1,063,906**	342,753
Deposits received from pre-sales of properties		**1,488,981**	1,472,495
Other payables and accruals		**2,421,842**	3,719,767
Amount due to a substantial shareholder of the Company		**27,041**	7,948
Tax payable		**481,991**	363,604
Interest-bearing bank and other borrowings		**2,417,482**	3,310,054
		7,901,243	9,216,621
Liabilities classified as held for sale	*11*	**531,890**	–
Total current liabilities		**8,433,133**	9,216,621
NET CURRENT ASSETS		**3,581,793**	6,457,960
TOTAL ASSETS LESS CURRENT LIABILITIES		**7,263,795**	8,675,413
CAPITAL AND RESERVES			
Share capital		**418,587**	418,587
Reserves		**4,223,412**	3,715,428
Equity attributable to owners of the Company		**4,641,999**	4,134,015
Non-controlling interests		**(193)**	2,114
Total equity		**4,641,806**	4,136,129
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**2,389,078**	4,307,471
Deferred tax liabilities		**232,911**	231,813
Total non-current liabilities		**2,621,989**	4,539,284
		7,263,795	8,675,413

NOTES:

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and by the Hong Kong Companies Ordinance.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 – 2014 Cycle
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKAS 27	Equity Method in Separate Financial Statements

Except as described below, the application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to HKAS 1 Disclosure Initiative

The Group has applied the amendments to HKAS 1 Disclosure Initiative for the first time in the current year. The amendments to HKAS 1 clarify that an entity need not provide a specific disclosure required by an HKFRS if the information resulting from that disclosure is not material, and give guidance on the bases of aggregating and disaggregating information. However, the amendments reiterate that an entity should consider providing additional disclosures when compliance with the specific requirements in HKFRS is insufficient to enable users of financial statements to understand the impact of particular transactions, events and conditions on the entity's financial position and financial performance.

In addition, the amendments clarify that an entity's share of the other comprehensive income of associates and joint ventures accounted for using the equity method should be presented separately from those arising from the Group, and should be separated into the share of items that, in accordance with other HKFRSs: (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.

As regards the structure of the financial statements, the amendments provide examples of systematic ordering or grouping of the notes.

The Group has applied these amendments retrospectively. The ordering of certain notes to the consolidated financial statements have been revised to give prominence to the areas of the Group's activities that management considers to be most relevant to an understanding of the Group's financial performance and financial position. Specifically, information to financial instruments and segment were reordered in consolidated financial statements. Other than the above presentation and disclosure changes, the application of the amendments to HKAS 1 has not resulted in any impact on the financial performance or financial position of the Group in these consolidated financial statements.

The Group has not early applied the following new amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers and the related Amendments[1]
HKFRS 16	Leases[2]
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014 – 2016 Cycle[5]
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions[1]
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 7	Disclosure Initiative[4]
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[4]
Amendments to HKAS 40	Transfers of Investment Property[1]

[1] Effective for annual periods beginning on or after 1 January 2018
[2] Effective for annual periods beginning on or after 1 January 2019
[3] Effective for annual periods beginning on or after a date to be determined
[4] Effective for annual periods beginning on or after 1 January 2017
[5] Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate

HKFRS 9 *Financial Instruments*

HKFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities and impairment requirements for financial assets.

Key requirements of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Based on the Group's financial instruments and risk management policies as at 31 March 2017, application of HKFRS 9 in the future may have a material impact on the classification and measurement of the Group's financial assets. The Group's available-for-sale investments, including those currently stated at cost less impairment, will either be measured as fair value through profit or loss or be designated as FVTOCI (subject to fulfilment of the designation criteria). In addition, the expected credit loss model may result in early provision of credit losses which are not yet incurred in relation to the Group's financial assets measured at amortised cost.

However, it is not practicable to provide reasonable estimate of the effect of HKFRS 9 until the Group performs a detailed review.

HKFRS 15 Revenue from contracts with Customers

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for goods and services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

In 2016, the HKICPA issued Clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The directors of the Company anticipate that the application of HKFRS 15 may result in more disclosures, however, the directors of the Company do not anticipate that the application of HKFRS 15 will have a material impact on the timing and amounts of revenue recognised in respective reporting periods.

HKFRS 16 Leases

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 Leases and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for owned use and those classified as investment properties while other operating lease payments are presented as operating cash flows. Under the HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows.

Under HKAS 17, the Group has already recognised prepaid lease payments for leasehold lands where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

In contrast to lessee accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 March 2017, the Group has non-cancellable operating lease commitments as disclosed in consolidated financial statements. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. In addition, the application of new requirements may result changes in measurement, presentation and disclosure as indicated above. However, it is not practicable to provide a reasonable estimate of the financial effect until the directors complete a detailed review.

3. SEGMENT INFORMATION

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board of the Company, being the chief operating decision maker (the "CODM") in order to allocate resources to segments and to assess their performance. No operating segment identified by CODM has been aggregated in arriving at the reportable segments of the Group. Summary details of the Group's reportable and operating segments are as follows:

(a) the property development segment engages in the development of properties for sale in the People's Republic of China (the "PRC");

(b) the property investment segment invests in commercial and residential properties located in the PRC for their rental income potential and/or for capital appreciation;

(c) the project management segment engages in the provision of project management services in the PRC; and

(d) the project investment services segment engages in the provision of investment services in relation to investment in and sale of property development/land development projects in the PRC.

Operating segments regarding the property management business and construction business were discontinued during the current year and last year respectively.

Segment revenue and results

The Group's revenue and results are substantially derived from operations in the PRC. The following is an analysis of the Group's revenue and results by reportable and operating segments:

Continuing operations

	Property development		Property investment		Project management		Project investment services		Total		Reconciliation		Consolidated	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
										(Restated)	*(Note)*	*(Note)*		(Restated)
Segment revenue:														
Sales to external customers	**1,063,757**	773,872	**3,021**	1,154	**64,570**	17	**–**	–	**1,131,348**	775,043	**–**	–	**1,131,348**	775,043
Sales of projects to external customers	**–**	–	**–**	–	**–**	–	**1,053,817**	11,651	**1,053,817**	11,651	**(1,053,817)**	(11,651)	**–**	–
Total	**1,063,757**	773,872	**3,021**	1,154	**64,570**	17	**1,053,817**	11,651	**2,185,165**	786,694	**(1,053,817)**	(11,651)	**1,131,348**	775,043
Segment (loss) profits	**(483,949)**	(408,303)	**1,750**	(230)	**47,581**	(14,826)	**1,845,900**	5,670	**1,411,282**	(417,689)	**–**	–	**1,411,282**	(417,689)
Amortisation of prepaid land lease payments													**(1,480)**	(1,393)
Finance costs													**(218,346)**	(126,814)
Gain on disposal of joint ventures													**–**	998
Impairment loss recognised on amounts due from associates													**(253,101)**	–
Interest income													**7,515**	56,925
Net foreign exchange losses													**(21,658)**	(28,032)
Share of (loss) profit of associates													**(10,961)**	3,696
Share of profit (loss) of joint ventures													**2,111**	(13,417)
Other net unallocated expense													**(14,785)**	(44,362)
Profit (loss) before taxation from continuing operations													**900,577**	(570,088)

Note: The adjustment reflects the reconciliation of revenue from the reportable and operating segments to the Group's consolidated revenue as the net profit or loss from project investment services is accounted for under the net gain on disposal of subsidiaries in the consolidated statement of profit or loss and other comprehensive income.

Segment results represent the profit (loss) before taxation made by each reportable segment without allocation of income and expenses of the Group's head office, amortisation of prepaid land lease payments, finance costs, gain on disposal of joint ventures, impairment loss recognised on amounts due from associates, interest income, net foreign exchange losses and share of results of associates and joint ventures. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The Group's CODM does not review the segment assets and liabilities for the purposes of allocating resources to segments and assessing their performance. Therefore, no segment assets and liabilities are presented.

4. OTHER INCOME AND GAINS

	2017	2016
	HK$'000	*HK$'000*
		(Restated)
Continuing operations		
Bank interest income	**7,515**	44,018
Gain on disposal of joint ventures	**–**	998
Gain on disposal of property, plant and equipment	**3,531**	8,950
Other interest income	**–**	12,907
Profit distribution from an available-for-sale investment	**20,969**	–
Reversal of impairment loss on trade receivables	**8,893**	–
Others	**6,396**	4,228
	47,304	71,101

5. FINANCE COSTS

	2017	2016
	HK$'000	*HK$'000*
		(Restated)
Continuing operations		
Interest on bank borrowings	**247,751**	248,785
Interest on other borrowings	**205,586**	377,843
	453,337	626,628
Less: Amounts capitalised in properties under development	**(234,991)**	(499,814)
	218,346	126,814

Borrowing costs capitalised during the year arose on the funds borrowed specifically for the purpose of obtaining qualifying assets and are calculated by applying a capitalisation rate of 9.45% (2016: 8.33%) per annum.

6. TAXATION

	2017	2016
	HK$'000	*HK$'000*
		(Restated)
Continuing operations		
Current tax:		
PRC Enterprise Income Tax ("EIT")		
Provision for current year	**58,555**	7,388
Underprovision (overprovision) in prior years	**3,630**	(58,315)
	62,185	(50,927)
PRC Land Appreciation Tax ("LAT")		
Provision for current year	**102,021**	26,600
Overprovision in prior years	**–**	(232,752)
	102,021	(206,152)
Deferred tax	**11,868**	(9,177)
Total tax charge (credit) for the year	**176,074**	(266,256)

No provision for Hong Kong Profits Tax has been made as the Group did not generate any assessable profits sourced in Hong Kong for both years.

The Group's income tax expense represents tax charges on the assessable profits of subsidiaries operating in the PRC calculated at the rates of tax prevailing in the locations in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the statutory tax rate of the Company's PRC subsidiaries is 25%.

The provision for LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable deductions.

7. PROFIT (LOSS) FOR THE YEAR

	2017	2016
	HK$'000	*HK$'000*
		(Restated)
Continuing operations		
Profit (loss) for the year has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment	**7,330**	7,538
Less: Amounts capitalised in properties under development	**(160)**	(427)
	7,170	7,111
Amortisation of prepaid land lease payments	**1,480**	1,393

8. DISCONTINUED OPERATIONS

Discontinued operation of property management business

During the year ended 31 March 2017, the Group entered into a disposal agreement to transfer 100% equity interests in certain subsidiaries and branches of Coastal Realty Management Company Limited (the "Property Management Group") to an independent third party for a total consideration of RMB22,000,000 (equivalent to HK$25,193,000). The disposal was completed on 27 October 2016 upon the transfer of the equity interests being approved by the relevant government authority.

Discontinued operation of construction business

During the year ended 31 March 2016, the Group entered into a disposal agreement to transfer 100% equity interests in Jingdian Construction Co. Ltd. ("Jingdian") to an independent third party at nil consideration and in consideration that a debt in the amount of RMB471,673,000 (equivalent to HK$566,064,000) due and owing by a wholly-owned subsidiary of the Company to Jingdian will be waived. The disposal was completed on 31 March 2016 upon the approval of the transaction by the shareholders in a special general meeting and the transfer of the equity interests being approved by the relevant government authority.

The (loss) profit from the discontinued operations which has been included in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows is set out below:

	Property Management Group Period ended 27 October 2016	Property Management Group Year ended 31 March 2016	Jingdian Year ended 31 March 2016	Total Year ended 31 March 2016
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Profit (loss) of discontinued operations for the period/year	**3,310**	5,317	(65,822)	(60,505)
(Loss) gain on disposal of subsidiaries	**(20,373)**	–	322,562	322,562
Tax on gain on disposal of construction business	**–**	–	(81,510)	(81,510)
	(17,063)	5,317	175,230	180,547
Revenue	**5,052**	11,440	160,153	171,593
Cost of sales	**(117)**	(717)	(125,870)	(126,587)
Gross profit	**4,935**	10,723	34,283	45,006
Other income	**162**	476	163	639
Expenses	**(1,787)**	(5,882)	(100,030)	(105,912)
Profit (loss) before taxation	**3,310**	5,317	(65,584)	(60,267)
Taxation	**–**	–	(238)	(238)
Profit (loss) for the period/year	**3,310**	5,317	(65,822)	(60,505)

9. EARNINGS (LOSS) PER SHARE

(a) Basic loss per share

(i) From continuing and discontinued operations

The calculation of the basic earnings (loss) per share is based on the earnings for the year attributable to owners of the Company of HK$707,452,000 (2016: loss attributable to owners of the Company of HK$123,268,000) and the number of 4,185,874,285 ordinary shares in issue for the years ended 31 March 2017 and 2016.

(ii) ***From continuing operations***

The calculation of the basic earnings (loss) per share from continuing operations is based on the earnings for the year attributable to owners of the Company of HK$724,515,000 (2016: loss attributable to owners of the Company of HK$303,815,000) and the denominator used is the same as that detailed above.

(iii) ***From discontinued operations***

Loss per share for the discontinued operations is HK0.41 cents per share (2016: earnings per share of HK4.31 cents), based on the loss for the year from discontinued operations of HK$17,063,000 (2016: profit for the year from discontinued operations of HK$180,547,000) and the denominator used is the same as detailed above.

(b) Diluted loss per share

The calculation of diluted loss per share for the years ended 31 March 2017 and 2016 did not assume the exercise of the Company's options as the exercise prices of the options were higher than the average market price of the Company's shares for the respective years.

10. TRADE RECEIVABLES

Except for the proceeds from sales of properties and rental income from lease of properties which are payable in accordance with the terms of the relevant agreements, the Group generally allows a credit period of not exceeding 60 days to its customers.

An aged analysis of trade receivables as at the end of the reporting period based on invoice date which approximate revenue recognition date, net of allowance for bad and doubtful debts, is as follows:

	2017	2016
	HK$'000	*HK$'000*
0 – 30 days	**1,356**	2,040
31 – 60 days	**–**	–
61 – 90 days	**–**	–
Over 90 days	**105**	–
	1,461	2,040

11. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

On 16 December 2016, the Group entered into a disposal agreement with independent third parties, pursuant to which the Group conditionally agreed to sell and the independent third party conditionally agreed to purchase the entire equity interests in Kunshan Fuzhi Dingxin Equity Investment Enterprise ("Kunshan Fuzhi") at a maximum total consideration of RMB3,589,100,000 (equivalent to approximately HK$4,042,735,000) (the "Disposal"). Details of the Disposal are set out in the Company's announcement and circular dated 28 December 2016 and 31 March 2017 respectively. Subsequent to 31 March 2017, the Disposal was approved by the shareholders in a special general meeting. In the opinion of the directors, the Disposal is expected to be completed in next twelve months from the end of the reporting period and the Group will cease to have control over Kunshan Fuzhi upon completion.

The assets and liabilities attributable to Kunshan Fuzhi, have been classified as a disposal company held for sale and are presented separately in the consolidated statement of financial position at 31 March 2017.

The major classes of assets and liabilities comprising the assets and liabilities classified as held for sale are as follows:

	2017 ***HK$'000***
Interest in an associate	**588,527**
Amount due from an associate	**528,273**
Cash and bank balances	**5,137**
Assets classified as held for sale	**1,121,937**
Other payables and accruals	**531,890**
Liabilities classified as held for sale	**531,890**

12. TRADE AND BILLS PAYABLES

An aged analysis of trade and bills payables as at the end of the reporting period based on invoice date and issuance date of each bill is as follows:

	2017 ***HK$'000***	2016 *HK$'000*
0 – 30 days	**652,308**	222,737
31 – 60 days	**158,587**	11,468
61 – 90 days	**172,467**	4,108
Over 90 days	**80,544**	104,440
	1,063,906	342,753

The average credit period on purchase is 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

DIVIDEND

The Board does not recommend the payment of any dividend for the year ended 31 March 2017 (2016: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the financial year ended 31 March 2017, the Group has recorded a revenue of HK$1,131 million, an increase of about 46% as compared to the HK$775 million for last year. The increase in the revenue for the year was attributable to more properties were completed and delivered to purchasers during the year.

Profit before taxation for the year was HK$900.6 million, compared to a HK$570.1 million loss before taxation for last year. Profit for the year attributable to owners of the Company was HK$707.5 million, compared to HK$123.3 million loss attributable to owners of the Company for last year, which is mainly attributable to a significant net gain on disposal of subsidiaries recorded for the year.

Revenue

The following table sets out an analysis of the Group's revenue together with the contribution to operating results by activity:

	Year ended 31 March			
	2017		2016	
	Revenue	**Contribution to operating results**	Revenue	Contribution to operating results
	HK$'000	***HK$'000***	*HK$'000*	*HK$'000*
Property development	**1,063,757**	**(483,949)**	773,872	(408,303)
Property investment	**3,021**	**1,750**	1,154	(230)
Project management	**64,570**	**47,581**	17	(14,826)
Project investment services	**–**	**1,845,900**	–	5,670
Total	**1,131,348**	**1,411,282**	775,043	(417,689)

The Group's revenue and results for the year are substantially derived from operations in the PRC.

Property Development

During the year under review, the recognised sales revenue from property development segment was HK$1,063.8 million, representing an increase of about 37% from last year's HK$773.9 million, which corresponds to an increase by 45% in the total gross floor area ("GFA") delivered by the Group of 132,000 sq.m. (2016: 91,100 sq.m.). The property sales revenue for the year mainly came from the sale of Phase VII of Wuhan Silo City and Shenyang Coastal International Centre, which respectively represented about 74% and 14% of the total property sales revenue. The remaining 12% was derived from sale of the remaining inventory in the Group's development projects completed in prior years.

For the year ended 31 March 2017, the Group recorded contracted sales in the amount of HK$3,744 million (2016: HK$3,841 million) which corresponds to a total GFA of about 298,000 sq.m. (2016: 348,000 sq.m.). Included in the amount was HK$2,411 million (2016: HK$2,751 million) related to contracted sales attributable to the development projects in which the Group has equity interests ranging from 12% to 40% and of which the Group is the project manager. Such development projects accounted for a corresponding GFA of about 162,000 sq.m. (2016: 213,000 sq.m.).

During the year ended 31 March 2017, the Group's major completed development projects were Phase VII of Wuhan Silo City, Chongqing Silo City, Wuhan Lingjiao Hu Project and Shenyang Coastal International Centre with a total GFA of approximately 533,000 sq.m. (2016: 160,000 sq.m.) of which 306,000 sq.m. (2016: 130,000 sq.m.) related to completed development projects in which the Group has 30% equity interests (2016: equity interests ranging from 12% to 20%) and of which the Group is the project manager.

Property Investment

Revenue from property rental increased by about 150% to HK$3.0 million from last year's HK$1.2 million. The increase was mainly due to the lease of certain retail shops and car parking spaces in Phase VI of Wuhan Silo City during the year. The property investment segment for the year recorded a profit of HK$1.8 million comparing to a loss of HK$0.2 million for last year.

Project Management

Revenue from project management increased to HK$64.6 million from last year's HK$17,000. The increase was due to recognition of more project management revenue in respect of which the value of contract work completed has been confirmed during the year. The project management segment for the year recorded a profit of HK$47.6 million comparing to a loss of HK$14.8 million for last year.

Project Investment Services

During the year, the Group generated a profit of about HK$1,845.9 million as compared to HK$5.7 million for last year from the operations of this segment. The significant increase in the profit was due to a sale during the year of a property development interest through a disposal of 70% equity interests in a subsidiary owning the primary land development project.

Gross (Loss) Profit Margin

The gross profit margin for the year was about 13% which was in contrast to a gross loss margin of about 5% for last year. The improvement was mainly due to a far lower average construction cost level attained by the Group for the year despite a challenging lower average selling price level for the Group's sale occurred for the year as compared to last year.

Other Income and Gains

Other income and gains for the year was HK$47.3 million as compared to HK$71.1 million for last year. Other income for the year mainly represented the profit distribution from an available-for-sale investment of HK$21.0 million (2016: nil), bank interest income of HK$7.5 million (2016: HK$44.0 million), gain on disposal of property, plant and equipment of HK$3.5 million (2016: HK$9.0 million) and reversal of impairment loss on trade receivables of HK$8.9 million (2016: nil). Included in last year's other income and gains were mainly other interest income of HK$12.9 million and gain on disposal of joint ventures of HK$1.0 million.

Marketing, Selling and Administrative Expenses

Marketing and selling costs increased by about 9% to HK$58.7 million from last year's HK$54.1 million as a result of the Group's increased level of selling activities for promoting its sales.

Administrative expenses for the year were HK$202.9 million as compared to last year's HK$207.2 million. The Group will continue to implement cost control measures so as to enhance its operational efficiency and competitive edges.

Other Expenses

Other expenses for the year was HK$653.1 million as compared to last year's HK$206.5 million. Other expenses mainly represented the impairment loss recognised on amounts due from associates of HK$253.1 million (2016: nil), impairment loss recognised on trade receivables of HK$3.8 million (2016: HK$18 million) and impairment loss recognised on prepayments, deposits and other receivables of HK$357.9 million (2016: HK$179.4 million) in relation to property development project acquisitions.

Finance Costs

During the year, the Group incurred finance costs before capitalisation (mainly interest for bank and other borrowings) of HK$453.3 million, representing a decrease of about 28% as compared to the HK$626.6 million incurred for last year. The decrease was mainly attributable to a decrease in the average outstanding balance of bank and other borrowings as compared to last year.

Interest expenses charged to profit or loss for the year was HK$218.3 million as compared to last year's HK$126.8 million. The increase was mainly due to lesser amount of finance costs were capitalised as compared to last year.

Corporate Brand

Coastal Greenland, the corporate brand, had been ranked among the top ten most valuable Chinese real estate company brands for the thirteen consecutive years between 2004 and 2016 by an authoritative PRC real estate research team formed by the Development Research Center of the State Council, the Tsinghua University Real Estate Research Center and the China Index Research Team. The corporate brand has also been certified by the State Administration for Industry & Commerce of China in 2015 as a "China Famous Trademark".

FINANCIAL REVIEW

Financial Resources and Liquidity

The Group's principal source of fund is the cashflow generated from property sales and leasings, provision of project management and project investment services supplemented by bank and other borrowings.

At 31 March 2017, the Group's cash and bank deposits amounted to approximately HK$1,355 million (2016: HK$824 million). An analysis by currency denomination of the cash and bank deposits is as follows:

	2017	2016
	HK$'000	*HK$'000*
Renminbi	**1,342,864**	815,268
Hong Kong dollar	**5,398**	3,063
United States dollar	**6,730**	5,509
	1,354,992	823,840

At 31 March 2017, the net borrowings of the Group, being interest-bearing bank and other borrowings less cash and bank balances and pledged bank deposits, amounted to about HK$3,452 million (2016: HK$6,794 million). Net debt to total equity ratio, which is expressed as a percentage of net borrowings over total equity of the Group, decreased by about 90% to 74% from 164% last year which is mainly resulting from the diminution of interest-bearing bank and other borrowings in the amount of HK$3,461 million carried by a subsidiary which was disposed of during the year.

Profit before interest, taxation, depreciation and amortisation was about HK$1,222.5 million comparing to last year's HK$6.0 million on the same basis. Profit before interest, taxation, depreciation, amortisation and the non-cash items in respect of fair value change of investment properties had a coverage of 2.7 times (2016: 0.01 times) over the interest costs for the financial year of HK$453 million (2016: HK$627 million).

Borrowings and Charges

At 31 March 2017, the level of bank and other borrowings of the Group and their maturity profile are as follows:

	2017	2016
	HK$'000	*HK$'000*
Bank borrowings repayable:		
Within one year	**412,398**	1,733,333
In the second year	**574,460**	915,854
In the third to fifth years inclusive	**11,264**	1,532,391
Bank borrowings that is repayable within one year from the end of the reporting period and contain a repayment on demand clause	**259,176**	268,590
	1,257,298	4,450,168
Other borrowings repayable:		
Within one year	**1,745,908**	1,308,131
In the second year	**–**	1,859,226
In the third to fifth years inclusive	**1,803,354**	–
	3,549,262	3,167,357
	4,806,560	7,617,525

An analysis by currency denomination of the above borrowings is as follows:

	2017	2016
	HK$'000	*HK$'000*
Renminbi	**4,472,905**	7,273,166
Hong Kong dollar	**158,605**	159,896
United States dollar	**175,050**	184,463
	4,806,560	7,617,525

The bank and other borrowings bear interest rates based on normal commercial terms.

Certain of the Group's bank and other borrowings as at 31 March 2017 were secured by:

(i) certain land and buildings of the Group with an aggregate carrying value of approximately HK$189 million (2016: HK$202 million);

(ii) certain bank deposits of the Group with an aggregate amount of approximately HK$261 million (2016: HK$371 million);

(iii) certain properties under development of the Group with an aggregate carrying value of approximately HK$3,623 million (2016: HK$1,815 million);

(iv) certain completed properties for sale of the Group with an aggregate carrying value of approximately HK$90 million (2016: HK$178 million);

(v) certain deposits of the Group with an aggregate carrying value of HK$197 million as at 31 March 2016;

(vi) corporate guarantees from the Company and certain of its subsidiaries;

(vii) the Group's 70% and 100% (2016: 100%) equity interests respectively in two (2016: three) properties based subsidiaries;

(viii) the Group's 30% (2016: nil) equity interests in an associate; and

(ix) the Group's 12% (2016: nil) equity interests in a property-based entity which is carried as an available-for-sale investment in the consolidated statement of financial position.

Exposure to Fluctuations in Exchange Rates

The Group's operations are principally in the PRC and accordingly a majority part of its income and expenditure is denominated in Renminbi. The exchange rates of Renminbi against Hong Kong dollar and United States dollar have been quite stable over the past years despite a slow depreciation in the recent period. Also the Group's operations will not be unduly exposed to exchange rates fluctuations as all the major assets, mainly property development projects of the Group are located in the PRC and will generate Renminbi revenue to the Group. Except certain bank and other borrowings which are denominated in United States dollar or Hong Kong dollar which account for less than 10% of the Group's total borrowings, most of the Group's liabilities are denominated in Renminbi. Therefore, the Directors do not foresee that movement in the exchange rates of foreign currencies against Renminbi in the foreseeable future will cause a material adverse impact on the Group's operations.

Contingent Liabilities

At 31 March 2017, the Group had given guarantees to the extent of approximately HK$2,828 million (2016: HK$2,976 million) to banks in respect of mortgage loan facilities granted to the property purchasers.

EMPLOYEES AND REMUNERATION POLICY

The Group employs a total of about 210 employees in the PRC and Hong Kong. Employees are remunerated based on their work performance, skills and experience, and prevailing industry practice. Apart from basic salary and performance related bonus, the Group also provides other benefits to its employees including mandatory provident fund, medical insurance coverage, housing allowances and share options.

PROSPECTS

The economy of the PRC is facing the challenge of consolidation amidst uncertainties in the global market. The PRC central government has been implementing various policies for maintaining a stable and sustainable economy. In the past year, we have seen that the government policies in tackling de-leveraging, inventory reduction and supply-side reform are producing positive impacts on the PRC economy and keeping the economy in a steady growth momentum.

In respect of the real estate industry, the PRC government has emphasised its determination to maintain a stable and healthy real estate market during the Central Economic Work Conference held in December 2016. The message from the Conference that "houses are built for dwelling purpose and should not be abused for speculation" signified that the government will formulate policies whenever needed to curb the risk of over investment in the real estate sector so as to prevent asset bubbles and uncontained financial market risks.

As a usual practice, the Group will formulate its business strategy along the direction of government policies. Over the past years, the Group has allocated some more resources into its primary land development business segment. The Group is glad to see that this business segment has started to contribute significant profits to the Group's operating results. Going forward the Group will continue to look for opportunities of participation in city redevelopment of old villages or old plants and factories so as to obtain quality land reserves at decent prices.

With the Group's well established brand and seasoned experience in the PRC property market together with a robust real estate market outlook in the PRC, the Group is optimistic about the Group's business prospect in the years ahead.

CORPORATE GOVERNANCE

The Company is committed to ensure high standards of corporate governance in the interest of all its shareholders. The Company has applied and complied with the applicable code provisions set out in the Corporate Governance Code and Corporate Governance Report ("CG Code") contained in Appendix 14 of the Listing Rules, except for below deviation:

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separated and should not be performed by the same individual for a balance of power and authority. Mr. Jiang Ming is the chairman and managing director of the Company. Mr. Jiang Ming is the founder and a substantial shareholder of the Company and has considerable industry experience. The Board considers that this situation will not impair the balance of power and authority between the Board and the management of the Company because the balance of power and authority is governed by the operations of the Board which comprises experienced and high caliber individuals with demonstrated integrity. Furthermore, decisions of the Board are made by way of majority votes. The Board believes that this structure is conducive to a more precise and more promptly response to the fast changing business environment and a more efficient management and implementation of business process.

Code provision A.6.7 of the CG Code stipulates that independent non-executive directors and other non-executive directors should attend general meetings. One independent non-executive director was unable to attend the special general meeting of the Company held on 26 May 2016, three independent non-executive directors were unable to attend the special general meeting of the Company held on 19 October 2016, two independent non-executive directors were unable to attend the special general meeting of the Company held on 25 April 2017 and one independent non-executive director was unable to attend the annual general meeting of the Company held on 12 September 2016 due to other important engagements. Two non-executive directors were unable to attend the annual general meeting of the Company held on 12 September 2016 and special general meetings of the Company held on 26 May 2016, 19 October 2016 and 25 April 2017 respectively due to other important engagements.

Further information will be set out in the Corporate Governance Report to be contained in annual report for the year ended 31 March 2017.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Having made specific enquiry of all Directors, the Directors confirmed that they have complied with the requirements as set out in the Model Code during the year ended 31 March 2017.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2017.

SCOPE OF WORK OF DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 March 2017 as set out in the preliminary announcement have been agreed by the Group's auditor, Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Deloitte Touche Tohmatsu on the preliminary announcement.

AUDIT COMMITTEE

The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters, including the review of the Group's consolidated financial statements for the year ended 31 March 2017.

ANNUAL GENERAL MEETING

The 2017 Annual General Meeting ("AGM") of the shareholders of the Company will be held on Friday, 15 September 2017 and the Notice of AGM will be published and despatched to the shareholders in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining Shareholders' eligibility to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 12 September 2017 to Friday, 15 September 2017 (both days inclusive), during which period no transfer of shares will be effected. In order to entitle to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Monday, 11 September 2017.

PUBLICATION OF ANNUAL REPORT ON THE WEBSITE OF THE STOCK EXCHANGE

The annual report of the Company for the year ended 31 March 2017 containing all the information required by Appendix 16 to the Listing Rules will be published on the websites of the Stock Exchange (http://www.hkex.com.hk) and the Company (http://www.coastal.com.cn) in due course.

By Order of the Board
Jiang Ming
Chairman

Hong Kong, 29 June 2017

As at the date of this announcement, the Board comprises Mr. Jiang Ming, Mr. Tao Lin, Mr. Xia Xianglong and Dr. Li Ting as executive Directors, Mr. Lu Jiqiang and Dr. Dai Jingming as non-executive Directors and Mr. Wong Kai Cheong, Mr. Yang Jiangang and Mr. Huang Xihua as independent non-executive Directors.

* *For identification purpose only*