沿海绿色家园有限公司
COASTAL GREENLAND LIMITED
(formerly known as Coastal Realty Group Limited)
(incorporated in Bermuda with limited liability)

ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2003

RESULTS

The Board of Directors (the "Directors") 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 2003 with comparative figures for the previous year as follows:

		Year ended 31 March	
		2003	2002
	Notes	***HK$'000***	*HK$'000*
Turnover		**610,774**	201,996
Cost of sales		**(529,930)**	(226,730)
Gross profit/(loss)		**80,844**	(24,734)
Other revenue and gains		**7,973**	14,701
Marketing and selling costs		**(3,265)**	(300)
Administrative expenses		**(33,771)**	(25,443)
Other operating expenses, net		**(13,178)**	(438,083)
Profit/(loss) from operating activities	*2*	**38,603**	(473,859)
Finance costs	*3*	**(14,037)**	(17,900)
Share of profits and losses of jointly-controlled entities		**(8)**	(2,362)
Profit/(loss) before tax		**24,558**	(494,121)
Tax	*4*	**(18,577)**	(5,345)
Profit/(loss) before minority interests		**5,981**	(499,466)
Minority interests		**(70)**	(41)
Net profit/(loss) from ordinary activities attributable to shareholders		**5,911**	(499,507)
Earning/(loss) per share	*5*		
– Basic		**HK0.58 cents**	HK(49.76) cents
– Diluted		**Not applicable**	Not applicable

Notes:

1. **Adoption of new and revised statements of standard accounting practice ("SSAPs")**

The Group has adopted the following new and revised SSAPs which are effective for the first time for the current year's financial statements:

- SSAP 1 (Revised) : "Presentation of financial statements"
- SSAP 11 (Revised) : "Foreign currency translation"
- SSAP 15 (Revised) : "Cash flow statements"
- SSAP 34 : "Employee benefits"

2. **Profit/(loss) from operating activities**

Profit/(loss) from operating activities is arrived at after charging/(crediting):

	Year ended 31 March	
	2003	2002
	HK$'000	*HK$'000*
Cost of properties for sale sold	**494,885**	175,770
Depreciation	**6,622**	3,973
Less: Amounts capitalised in properties under development	**(939)**	(439)
	5,683	3,534
Loss on disposal of fixed assets (other than investment properties)	**125**	110
Loss on disposal of an investment property	**–**	7,716
Revaluation deficit of leasehold land and buildings	**526**	–
Interest income	**(227)**	(157)
Exchange gains, net	**(715)**	(1,856)
Net rental income	**(22,512)**	(6,150)

3. **Finance costs**

	Year ended 31 March	
	2003	2002
	HK$'000	*HK$'000*
Interest on bank loans, overdrafts and other loans wholly repayable within five years	**33,423**	27,206
Interest on other loans	**–**	4,608
	33,423	31,814
Less: Amounts capitalised in properties under development	**(19,386)**	(13,914)
	14,037	17,900

4. **Tax**

	Year ended 31 March	
	2003	2002
	HK$'000	*HK$'000*
Group:		
Elsewhere than Hong Kong	**20,566**	2,964
Under provision in prior years	**–**	2,381
Deferred tax	**(1,989)**	–
Tax charge for the year	**18,577**	5,345

No Hong Kong profits tax has been provided because the Group did not generate any assessable profits arising in Hong Kong during the year (2002: Nil).

The Group's profits tax represents tax charges on assessable profits of subsidiaries operating in the People's Republic of China ("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. In accordance with the relevant tax rules and regulations in the PRC, certain of the Group's subsidiaries enjoy income tax reductions.

5. Earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the net profit/(loss) from ordinary activities attributable to shareholders for the year of HK$5,911,000 (2002: net loss of HK$499,507,000) and the 1,024,000,000 (2002: weighted average of 1,003,744,966) shares in issue during the year.

As the exercise price of the outstanding share options was higher than the average market price of the Company's shares during the years ended 31 March 2003 and 2002, they exerted no dilution effect on the basic earnings/(loss) per share for the years ended 31 March 2003 and 2002.

FINAL DIVIDEND

The Directors do not recommend any final dividend for the year.

BUSINESS ANALYSIS

The Group recorded a turnover of approximately HK$611 million for the financial year ended 31 March 2003, an increase of about 202% over that of last year.

A breakdown of the Group's turnover together with an analysis of contribution to operating results by activity is set out below:

	Year ended 31 March			
	2003		2002	
	Turnover	**Contribution to operating results**	Turnover	Contribution to operating results
	HK$'000	***HK$'000***	*HK$'000*	*HK$'000*
Sale of properties	**579,528**	**56,143**	179,574	(448,302)
Rental income	**29,681**	**18,421**	21,110	1,780
Property management	**1,565**	**(5,508)**	1,312	548
Corporate and others	**–**	**(30,680)**	–	(28,042)
Interest income	**–**	**227**	–	157
	610,774	**38,603**	201,996	(473,859)
Finance costs		**(14,037)**		(17,900)
Share of profits and losses of jointly-controlled entities		**(8)**		(2,362)
Profit/(loss) before tax		**24,558**		(494,121)
Tax		**(18,577)**		(5,345)
Profit/(loss) before minority interests		**5,981**		(499,466)
Minority interests		**(70)**		(41)
Net profit/(loss) from ordinary activities attributable to shareholders		**5,911**		(499,507)

The Group's turnover for the year was mainly derived from operations in the mainland of the People's Republic China.

The turnover for sale of properties had increased by about HK$400 million, from last year's about HK$180 million to about HK$580 million for the year. The increase was mainly due to the launches for sales and pre-sales of Phases I and II of Shanghai Riviera Villa (formerly known as Shanghai Ritz Villa), Fuzhou Mansion (formerly known as Fuzhou Roman Garden), Phase I of Wuhan Lakeside Apartment (formerly known as Wuhan Ritz Garden) and Phase IV of Anshan Greenland IT City and the advancement in the sales and pre-sales of Phases III and IV of Xiamen Lu Jiang New City and Phase II of Shenzhen Dragon Court. The revenue for the year contributed from sales and pre-sales of Phases I and II of Shanghai Riviera Villa, Phase II of Shenzhen Dragon Court, Phases III and IV of Xiamen Lu Jiang New City, Phases III and IV of Anshan Greenland IT City, Fuzhou Mansion, and Phase I of Wuhan Lakeside Apartment respectively accounted for 38.22%, 15.16%, 14.75%, 12.40%, 10.85% and 8.13% of the turnover for sale of properties. The balance of 0.49% was contributed from sales of the small remaining residential areas in Shanghai Golden Bridge Garden.

During the year, the turnover for rental income had shown a growth of about 41% from last year. The increase was mainly attributable to a significant improvement in both the rental price and occupancy rate in the leasing of Wuhan Wah Zhong Trade Plaza. Rental income recorded from leasing of Shanghai Golden Bridge Mansion remained weak as keen competition for commercial/office floor area in the rental market continue to exert pressure on both the rental price and occupancy rate of this property during the year.

For property management, an increase of about 19% from last year was recorded. The increase was mainly attributable to more service income received as the property management portfolio has expanded from new engagements in providing property management services to both the Group's developed properties and properties developed by other third party developers, which had more than offset a reduction in the management service income derived from Shanghai Golden Bridge Garden due to a change in the terms of management service contract resulting in lowering the rate of remuneration.

Owing to business expansion, the Group has strengthened its business development and planning functions and accordingly there was an increase in administrative expenses for the year. Furthermore, the Group has first time adopted the recently-issued SSAP 34 "Employee Benefits" and accordingly first time provisions for employee benefits in relation to paid leave carried forward and long service payments amounting to HK$1.75 million were made during the year and included in administrative expenses for the year.

For the year ended 31 March, 2003, the Group recorded a net profit attributable to shareholders of approximately HK$5.91 million, compared to a net loss attributable to shareholders of about HK$499.51 million for last year. The improvement in the operating results was mainly attributable to the following:

(1) The Group had gone through a consolidation period in its operations over the last few years, and no further significant provision for impairment of properties was required to be made for the year;

(2) During the year, satisfactory results were achieved from the sales and pre-sales of properties, namely Phases I and II of Shanghai Riviera Villa, Phases III and IV of Anshan Greenland IT City, Phases III and IV of Xiamen Lu Jiang New City, and Phase I of Wuhan Lakeside Apartment; and

(3) A significant improvement in the rental price and occupancy rate in the leasing of Wuhan Wah Zhong Trade Plaza.

Nevertheless, the following negative incidences had eroded the Group's profits for the year:

(1) Provisions for certain old aged property management fees receivable for various properties in the amount of HK$4.75 million;

(2) Certain claims made by purchasers of Phase I of Shenzhen Dragon Court in the amount of HK$4.65 million regarding shortfall in floor area and delay in delivery; and

(3) Losses from realisation of the two old aged development projects namely, Phase II of Shenzhen Dragon Court and Fuzhou Mansion in the amount of HK$6.24 million.

FINANCIAL RESOURCES AND LIQUIDITY

For the year ended 31 March 2003, the principal source of fund for the Group came from the cashflow generated from property sales and leasings supplemented by bank and other borrowings.

At 31 March 2003, the net borrowings of the Group, being interest-bearing bank and other borrowings less cash and bank balances, time deposits and pledged bank deposits, amounted to about HK$462 million. Net debt to equity ratio, which is expressed as a percentage of the net borrowings over the net assets of the Group, increased by about 2.52% to about 31.20% from about 28.68% last year. The increase in the net debt to equity ratio is mainly due to the increase in net borrowings of the Group from about HK$423 million to about HK$462 million.

BORROWINGS AND CHARGES

At 31 March 2003, the level of bank and other borrowings of the Group and their maturity profile are as follows:

	HK$'000
Bank overdrafts repayable:	
Within one year or on demand	**8,323**
Bank loans repayable:	
Within one year or on demand	**405,648**
In the second year	**136,753**
	542,401
Other loans repayable:	
Within one year	**51,673**
In the second year	**558**
In the third to fifth years, inclusive	**1,673**
Beyond five years	**11,618**
	65,522
	616,246

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

	HK$'000
Renminbi	**511,943**
Hong Kong dollars	**90,892**
United States dollars	**13,411**
	616,246

The borrowings bear interest rates based on normal commercial terms.

(a) Certain of the Group's borrowings are secured by:

(i) Certain investment properties of the Group with an aggregate carrying value at 31 March 2003 of approximately HK$379 million;

(ii) Certain properties under development of the Group with an aggregate carrying value at 31 March 2003 of approximately HK$381 million;

(iii) Certain completed properties for sale of the Group with an aggregate carrying value at 31 March 2003 of approximately HK$69 million;

(iv) Certain properties held for development of the Group with a carrying value at 31 March 2003 of approximately HK$165 million; and

(v) Corporate guarantees from the Company and certain its subsidiary companies.

(b) Certain other loans are secured by certain completed properties for sale of the Group with an aggregate carrying value of approximately HK$42 million at 31 March 2003.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Group's operations are principally in the People's Republic of China. Majority part of the Group's income and expenditure is in Renminbi. The exchange rate for Renminbi has been stable over the past few years and the directors do not foresee any circumstances that will lead to erratic fluctuation in the exchange rate for Renminbi in the foreseeable future. Therefore, the directors consider the Group does not have undue exposure to fluctuation in exchange rates.

CONTINGENT LIABILITIES

At 31 March 2003, the Group had given guarantees to the extent of approximately HK$342,103,000 (2002: HK$171,731,000) to banks in respect of mortgage loan facilities granted by the banks to the buyers of certain properties developed by the Group and a property of which the sales were underwritten by the Group.

EMPLOYEES AND REMUNERATION POLICY

The Group employs a total of about 1,115 employees in the mainland China 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 and share options.

OUTLOOK

The macro economy in China is expected to remain robust. GDP growth in China is forecasted to be at least at 7% for 2003 regardless of the impact of SARS outbreak. It is anticipated that the domestic demand for residential properties will continue to be strong as family income continue to improve generally in the PRC. However, the new government policies on regulating real estate business in the PRC have imposed more stringent requirements on property developers, which to certain extent will result in increasing the operating costs of property developers. Although it is anticipated that the operating environment for property developers will become tougher under the new policies introduced by the PRC government for preventing an over heat situation in the real estate sector, the Group believes that it has the capability to take on the new challenges.

COMPLIANCE WITH THE CODE OF BEST PRACTICE

In the opinion of the Directors, the Company has complied with the Code of Best Practice, as set out in Appendix 14 of the Listing Rules, except that the non-executive Directors are not appointed for specific terms as required by paragraph 7 of the Code of Best Practice but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's bye-laws. The Company has established an audit committee in accordance with paragraph 14 of the Code of Best Practice.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Company and its subsidiaries have not purchased, sold or redeemed any listed securities of the Company during the year ended 31 March 2003.

PUBLICATION OF RESULTS ON THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")'S WEBSITE

The Company's annual report containing all the information required by paragraphs 45(1) to 45(3) of Appendix 16 to the Listing Rules will be subsequently published on the website of the Stock Exchange in due course.

By Order of the Board
Chan Boon Teong
Chairman

Hong Kong, 28 July 2003

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Annual General Meeting of Coastal Greenland Limited will be held at K-2 Room, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong on Monday, 22 September 2003 at 10:00 a.m. for the following purposes:

1. To receive and consider the Audited Consolidated Financial Statements and the Reports of the Directors and Auditors for the year ended 31 March 2003.

2. To re-elect Directors and authorise the Board of Directors to fix the remuneration of Directors.

3. To re-appoint Ernst & Young as auditors and authorise the Directors to fix their remuneration.

4. To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

   (I) "**THAT**:

   (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase shares of HK$0.10 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

   (b) the aggregate nominal amount of shares of the Company to be purchased by the Company pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of this Resolution and the said approval shall be limited accordingly; and

   (c) for the purpose of this Resolution, "Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:

   (i) the conclusion of the next annual general meeting of the Company;

   (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and

   (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company."

(II) "**THAT**:

(a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK$0.10 each in the capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such power be and is hereby generally and unconditionally approved;

(b) the approval in paragraph (a) shall authorise the Directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

(c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than (i) a Rights Issue (as hereinafter defined); (ii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to participants of the Company and/or any of its subsidiaries and/or any invested entity in which the Group holds an equity interest, of shares or rights to acquire shares of the Company or (iii) an issue of shares as scrip dividends pursuant to the bye-laws of the Company from time to time, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company at the date of passing this Resolution and the said approval shall be limited accordingly; and

(d) for the purpose of this Resolution, "Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and

(iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company.

"Rights Issue" means an offer of shares open for a period fixed by the Directors of the Company to the holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong applicable to the Company)."

(III) "**THAT** subject to the passing of the Resolutions 4(I) and 4(II) set out in the foregoing, the general mandate granted to the Directors of the Company to allot, issue and deal with additional shares pursuant to Resolution 4(II) set out in the foregoing be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares in the capital of the Company repurchased by the Company under the authority granted pursuant to Resolution 4(I) set out in the foregoing, provided that such amount of shares so repurchased shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of the said Resolution."

By order of the Board
Cheng Wing Bor
Company Secretary

Hong Kong, 28 July 2003

Notes:

(1) Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and on a poll, vote in his stead. A proxy need not be a member of the Company.

(2) To be valid, a form of proxy, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be lodged with the Company's Registrars in Hong Kong, Tengis Limited, at Ground Floor, Bank of East Asia Harbour View Center, 56 Gloucester Road, Hong Kong no later than 48 hours before the time appointed for holding the meeting.

(3) In respect of Resolution 4(I) stated above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase shares of the Company in circumstances which they deem appropriate for the benefits of the shareholders. A circular containing the information necessary to enable the shareholders to make an informed decision to vote on this Resolution as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited will be despatched by the Company to the members of the Company.

(4) In respect of Resolution 4(II) stated above, the Directors wish to state that they have no immediate plans to issue new shares of the Company other than the new shares to be issued upon the exercise of subscription rights of options granted under the share option scheme of the Company, if any.