



## Coastal Greenland Announces 2010/11 Annual Results

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### *Improvement in Gross Profit Margin*

(Hong Kong, 30 June 2011) – Leading Mainland China property developer **Coastal Greenland Limited** (“Coastal Greenland” / the “Group”) (SEHK stock code: 1124), today announced its annual results for the year ended 31 March 2011.

For the year under review, the Group recorded a revenue of HK\$3,753 million, a decrease of about 4% compared to last year (2009/10: HK\$3,922 million). Gross profit margin was about 28% on the back of higher selling prices of the properties completed and delivered to the purchaser during the year (2009/10: 21%). Profit attributable to equity holders of the Group amounted to HK\$149 million (2009/10: HK\$210 million) and basic earnings per share were HK5.32 cents (2009/10: HK7.51 cents).

As at 31 March 2011, net debt to total equity ratio, which is expressed as a percentage of net borrowings over total equity of the Group, rose by about 8% to 86% (2009/10: 78%).

**Mr Chan Boon Teong, Chairman of Coastal Greenland**, said, “In the past year, the Group has seen a volatile property market. To prevent a property bubble, the Central Government has tightened the credit policy in the residential property sector while implementing other purchase restrictions and it is believed that these controls would not be eased in the short run. With expectations of Renminbi appreciation and continued urbanisation, together with rising household incomes, the Group is positive about the long-term development of the PRC property market, and the growth of Coastal Greenland”.

For the year under review, sales revenue from the property development segment was HK\$3,735 million, a decrease of about 4% compared with HK\$3,900 million last year. The total gross floor area (“GFA”) delivered by Coastal Greenland was 298,600 sq m (2009/10: 484,700 sq m). During the year under review, property sales revenue mainly came from the completion and delivery of the Phase II Section A of Shanghai Riviera Garden, the Loft and Eastern Section of Phase IV of Beijing Silo City, and Phase III Section B of Wuhan Silo City, respectively representing about 50%, 24% and 12% of the total property sales revenue. The remaining 14% was derived from sale of remaining inventory in the prior phases of the Group’s completed development projects Beijing Silo City, Dongguan Riviera Villa, Wuhan Silo City and Wuhan Lakeside Apartment which respectively accounted for about 5%, 4%, 2% and 3% of the property sales revenue. For the year under review, the Group has contracted sales of HK\$4,619 million compared with HK\$5,169 million last year, corresponding to a total GFA of about 313,000 sq m (2009/10: 450,100 sq m).

As at 31 March 2011, the Group has generated total sales revenue of about HK\$5,319 million from the pre-sale of properties under development, including the Western Section of Phase IV of Beijing Silo City, Phase III of Beijing Sunvilla Realhouse, Phase I of Dalian Coastal International Centre, Phase I of Dalian Jianzhu Project (formerly known as Dalian Qi Hang Project), Phase III Section A of Wuhan Silo City and Phase II of Shanghai Riviera Garden. The total GFA of these aforementioned developing properties is about 330,000 sq m and they are expected to be completed and delivered in the next financial year. During the year under review, the Group completed development projects of the Loft and Eastern Section of Phase IV of Beijing Silo City, Phase III Section A of Dongguan Riviera Villa, Phase II Section A of Shanghai Riviera Garden and Phase III Section B of Wuhan Silo City. A total GFA of approximately 329,800 sq m (2009/10: 393,100 sq m) were completed.

To enrich the geographically well-diversified land portfolio, the Group completed the acquisition of 100% equity in the Dalian Jianzhu Project for residential development and 100% equity in the Shenyang Sujiatun Project for residential or commercial development, adding an estimated 2 million sq m GFA to the Group in total. Moreover, the Group has been strengthening its competitiveness by enhancing product quality and adopting stringent cost control measures.

For the leasing business, due to the disposal of the property at Shenzhen Noble Centre last year, revenue dropped to HK\$10.1 million (2009/10: HK\$15.0 million). Profit contribution from the property investment segment amounted to HK\$61.5 million, while the Group's property management operations recorded a profit of about HK\$2.8 million for the year compared to last year's profit of HK\$0.2 million. The Group is committed to provide integrated value-added property management services to foster good relations with tenants and owners and strengthen its brand image.

Looking ahead, Mr Chan said, "As one of the top listed Chinese real estate company, Coastal Greenland will leverage on its well-recognised corporate brand and its long experience in the PRC property market to further enhance profitability, advance our market position, and strengthen the competitiveness of our property portfolio. We are looking forward to creating greater value for our shareholders by continuing the development of higher-end residential properties and expansion of our approach and brand recognition to China's rapidly expanding base of affluent customers".

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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 six 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 Brands in China" as ranked by the "China Real Estate Top 10 Research Team" for seven consecutive years between 2004 and 2010. It has 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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