STRATEGIC FINANCIAL RELATIONS LIMITED
縱橫財經公關顧問有限公司

For Immediate Release

Coastal Greenland Announces 2012/13 Annual Results

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Contracted Sales Outperform the Market with a Steady Growth Rate of 18%

(Hong Kong, 27 June 2013) – 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 2013.

For the year under review, the Central Government continued to implement a series of austerity policies to combat the volatile property market in the PRC and the Group's revenue was inevitably affected. As lesser amount of properties were completed and delivered to purchasers during the year, the Group recorded a revenue of HK$3,717 million (2011/12: HK$7,178 million). However, due to the precise assessment of market trends and implementation of carefully-planned and innovative sales and marketing strategies, the Group was able to capture several unique contracted sales opportunities during the year under review and recorded a satisfactory sales performance through various strong sales and marketing strategies. The Group's contracted sales for the year under review increased by 18% to HK$3,567 million (2011/12: HK$3,024 million), which corresponds to a total GFA of about 338,000 sq.m. (2011/12: 263,000 sq.m.) and which outperformed the market. As the Group's developed projects have been gradually completed and delivered to purchasers, this, plus the commencement of sales of new property projects mean that the Group's overall performance should further improve in the future.

During the year, the Group's gross profit margin was around 24% (2011/12: 33%). Profit attributable to owners of the Company was HK$92.6 million (2011/12: HK$604.1 million [restated]). Basic earnings per share were HK3.32 cents (2011/12: HK21.65 cents).

The Group continued ongoing strict financial control measures. As at 31 March 2013, the net debt to total equity ratio, which is expressed as a percentage of net borrowings over total equity of the Group, substantially decreased from last year's 87% to 70%. In addition, cashflow continued to improve. As at 31 March 2013, the Group had cash and bank deposits of approximately HK$2,625 million (2012: HK$2,514 million).

Mr Jiang Ming, Chairman and Executive Director of Coastal Greenland, said, "From last year to this year, the Central Government has continued its austerity policy on the real estate sector, to suppress overheated speculative activities and investment demand. The Group has adjusted its project development pace and sales cycle accordingly. Although facing the challenging environment, the Group recorded a satisfactory performance in sales and debt control. International rating institutions Standard & Poor's and Moody's upward adjustment to the credit rating of the Group at the end of last year is a positive signal of market recognition of our operational performance. We are optimistic about the long-term development of the property market in the PRC which is expected to be driven by the continuous growth of the PRC's economy and the strong housing demand evolving from continuous urbanisation and pent-up desire for improving the living environment of the rapidly growing middle class."

During the year, the Group's recognised sales revenue from the property development segment was HK$3,333 million (2011/12: HK$7,163 million), while the total GFA delivered was 355,000 sq.m. (2011/12: 536,000 sq.m.). The property sales revenue for the year mainly came from the sale of Phase III of Shenyang Silo City, Phase II of Shanghai Riviera Garden, Phase IV of Dongguan Riviera Villa, Phase III of Anshan Wisdom New City and Phase I of Dalian Coastal International Centre which respectively represented about 25%, 18%, 12%, 8%, and 7% of the total property sales revenue. The remaining 30% was derived from sale of remaining inventory from the prior phases of the Group's completed development projects.

As at 31 March 2013, the total sales revenue generated from pre-sale of properties under development was about HK$874 million, with a total GFA of about 61,000 sq.m. These properties included Phase II Section B1 of Dalian Jianzhu Project, Phase IV Western section A1A2 of Beijing Silo City and Phase V section A of Wuhan Silo City, which are expected to be completed and delivered in the next financial year. During the year ended 31 March 2013, the Group completed development projects with a total GFA of approximately 304,000 sq.m. (2011/12: 653,030 sq.m.), including Phase III of Shenyang Silo City, Phase IV of Dongguan Riviera Villa and Phase III of Anshan Wisdom New City.

For the property management business, the Group is committed to providing integrated and value-added property management services to foster good relations with tenants and owners, as well as to strengthen its brand image. During the year under review, profit recorded by the property management operations surged from HK$1.9 million last year to about HK$9.0 million.

In addition, the Group has established project management and construction as one of its operating segments during the financial year. Revenue generated and contribution to operating results made by this segment are HK$374 million and HK$35.8 million respectively for the year. Under the current business strategy, the Group will devote more of its efforts and resources for boosting the business of this segment.

As for the property rental business, the Group's revenue from property rentals was HK$2.6 million (2011/12: HK$8.6 million), mainly derived from the properties in Suzhou Coastal International Centre and retail shops in Beijing Silo City. The decrease was mainly due to the disposal of Suzhou Coastal International Centre and certain retail shops in Beijing Silo City during the year. The property investment segment recorded a loss of HK$256.5 million (2011/12: HK$57.5 million) during the year as there was a revaluation deficit of investment properties of HK$313.1 million recorded for the year whereas a revaluation deficit of HK$56.3 million was recorded for last year. Under the current business strategy, the Group will lessen its investment in the property investment segment.

Looking ahead, the Group considers that the real estate market in the PRC remains volatile and challenging for property developers and the market competition among property developers will remain intense in the future. The Group will closely monitor its business strategy with respect to the changes in the economic and regulatory environment and the property market sentiment in the PRC. It will also evaluate co-investment opportunities in property development projects in order to expand its property development portfolio and avoid burdensome debt. The Group will also divert more of its efforts and resources to the newly established project management and construction operating segment to drive its business development.

Mr Jiang concluded, "We will utilise our well-recognised corporate brand and extensive experience in the PRC property market, focus on the development of our geographically diverse quality property portfolio, optimise our land reserves and strengthen our product competitiveness. Meanwhile, we will also actively explore funding alternatives so as to broaden our financial resources and support the sustainable development of the Group."

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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 within three major economic zones in Mainland China (the Bohai Economic Rim, the Yangtze River Delta Region and the Pearl River Delta Region) and it leverages its proven cross-regional operating capabilities and comprehensive management system. Coastal Greenland has garnered many awards for its prominent presence in the PRC property market, including the "Top 10 Most Valuable Real Estate Company Brand in China" for nine consecutive years between 2004 and 2012, as well as the "China Blue Chip Real Estate Corporation" honour for 3 consecutive years between 2007 and 2009.

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