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 2018

FINANCIAL HIGHLIGHTS:

- Revenue for the year amounted to HK$1,791 million, representing an increase of 58% as compared with last year.
- Gross profit for the year amounted to HK$427 million, representing an increase of 186% as compared with last year; and gross profit margin for the year increased by 11% to 24% from 13% last year.
- Contracted sales for the year amounted to HK$4,334 million, representing an increase of 16% from last year. Included in the amount was HK$3,294 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.
- As last year's net gain on disposal of subsidiaries of HK$1,846 million is substantially higher than current year's HK$662 million, profit before taxation for the year amounting to HK$365 million was thus lower than that of last year of HK$901 million.
- As at 31 March 2018, cash and bank balances and pledged bank deposits totaled HK$1,604 million (2017: HK$1,355 million). Net debt to equity ratio was 14%, representing a significant improvement from last year's 74%.

The Board of Directors (the "Board") of Coastal Greenland Limited (the "Company") is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2018, together with the comparative figures for the corresponding year, as follows:

* *For identification purpose only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2018

	Notes	2018 HK$'000	2017 HK$'000
Continuing operations			
Revenue	3	**1,791,404**	1,131,348
Cost of sales		**(1,364,710)**	(982,164)
Gross profit		**426,694**	149,184
Other income and gains	4	**98,663**	47,304
Marketing and selling expenses		**(39,530)**	(58,663)
Administrative expenses		**(255,525)**	(202,850)
Other expenses		**(453,500)**	(653,102)
Finance costs	5	**(179,653)**	(218,346)
Share of profit (loss) of associates		**1,753**	(10,961)
Share of profit of joint ventures		**104,239**	2,111
Net gain on disposal of subsidiaries		**661,616**	1,845,900
Profit before taxation		**364,757**	900,577
Taxation	6	**(143,514)**	(176,074)
Profit for the year from continuing operations	7	**221,243**	724,503
Discontinued operation			
Loss for the year from discontinued operation		**–**	(17,063)
Profit for the year		**221,243**	707,440
Other comprehensive income (expense)			
Items that will not be reclassified to profit or loss			
Exchange differences arising on translation to presentation currency		**539,295**	(201,763)
Surplus on revaluation of buildings		**78,463**	–
Deferred tax charge arising on revaluation of buildings		**(19,616)**	–
Other comprehensive income (expense) for the year		**598,142**	(201,763)
Total comprehensive income for the year		**819,385**	505,677

	Notes	2018 HK$'000	2017 HK$'000
Profit for the year attributable to owners of the Company:			
from continuing operations		**231,077**	724,515
from discontinued operation		**–**	(17,063)
Profit for the year attributable to owners of the Company		**231,077**	707,452
Loss for the year attributable to non-controlling interests from continuing operations		**(9,834)**	(12)
		221,243	707,440
Total comprehensive income (expense) attributable to:			
Owners of the Company		**811,926**	507,984
Non-controlling interests		**7,459**	(2,307)
		819,385	505,677
		HK cents	*HK cents*
Earnings per share	*9*		
From continuing and discontinued operations			
Basic and diluted		**5.52**	16.90
From continuing operations			
Basic and diluted		**5.52**	17.31

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2018

	Notes	2018 HK$'000	2017 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**306,828**	226,952
Investment properties		**4,356**	205,781
Prepaid land lease payments		**46,621**	44,087
Interests in associates		**24,953**	2,349,141
Interests in joint ventures		**193,742**	360,813
Amounts due from associates and joint ventures		**124,805**	332,095
Available-for-sale investments		**195,409**	163,133
Total non-current assets		**896,714**	3,682,002
CURRENT ASSETS			
Properties under development		**1,541,475**	4,637,424
Completed properties for sale		**261,372**	1,380,756
Trade receivables	*10*	**2,603**	1,461
Prepayments, deposits and other receivables		**1,339,124**	2,759,669
Amounts due from associates and joint ventures		**495,329**	740,146
Prepaid tax		**10,389**	21,920
Pledged bank deposits		**260,892**	412,214
Cash and bank balances		**1,342,744**	942,778
		5,253,928	10,896,368
Assets classified as held for sale	*11*	**9,651,773**	1,121,937
Total current assets		**14,905,701**	12,018,305

	Notes	**2018**	2017
		HK$'000	*HK$'000*
CURRENT LIABILITIES			
Trade and bills payables	*12*	**93,334**	1,063,906
Deposits received from pre-sales of properties		**130,983**	1,488,981
Other payables and accruals		**2,010,800**	2,421,842
Amounts due to associates and joint ventures		**5,016**	3,379
Amount due to a substantial shareholder of the Company		**23,823**	27,041
Tax payable		**498,435**	481,991
Interest-bearing bank and other borrowings		**310,556**	2,417,482
		3,072,947	7,904,622
Liabilities classified as held for sale	*11*	**6,801,087**	531,890
Total current liabilities		**9,874,034**	8,436,512
NET CURRENT ASSETS		**5,031,667**	3,581,793
TOTAL ASSETS LESS CURRENT LIABILITIES		**5,928,381**	7,263,795
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**56,162**	2,389,078
Deferred tax liabilities		**263,939**	232,911
Total non-current liabilities		**320,101**	2,621,989
Net assets		**5,608,280**	4,641,806
CAPITAL AND RESERVES			
Share capital		**418,587**	418,587
Reserves		**5,055,816**	4,223,412
Equity attributable to owners of the Company		**5,474,403**	4,641,999
Non-controlling interests		**133,877**	(193)
Total equity		**5,608,280**	4,641,806

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

(a) Adoption of new/revised HKFRSs – effective from 1 April 2017

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Annual Improvements to HKFRSs 2014-2016 Cycle	Amendments to HKFRS 12, Disclosure of Interests in Other Entities

Amendments to HKAS 7 – Disclosure Initiative

The amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The adoption of the amendments has led to the additional disclosure presented in the notes to the consolidated financial statement.

Amendments to HKAS 12 – Recognition of Deferred Tax Assets for Unrealised Losses

The amendments relate to the recognition of deferred tax assets and clarify some of the necessary considerations, including how to account for deferred tax assets related to debt instruments measured at fair value.

Annual Improvements to HKFRSs 2014-2016 Cycle – Amendments to HKFRS 12, Disclosure of Interests in Other Entities

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKFRS 12, Disclosure of Interests in Other Entities, to clarify that the disclosure requirements of HKFRS 12, other than the requirements to disclose summarised financial information, also apply to an entity's interests in other entities classified as held for sale or discontinued operations in accordance with HKFRS 5, Non-Current Assets Held for Sale and Discontinued Operations.

The adoption of the amendments to HKFRS 12 has no impact on these financial statements as the latter treatment is consistent with the manner in which the Group has previously dealt with disclosures relating to its interests in other entities classified as held for sale or discontinued operations in accordance with HKFRS 5.

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective:

Annual Improvements to HKFRSs 2014-2016 Cycle	Amendments to HKFRS 1, First-time adoption of Hong Kong Financial Reporting Standards[1]
Annual Improvements to HKFRSs 2014-2016 Cycle	Amendments to HKAS 28, Investments in Associates and Joint Ventures[1]
Amendments to HKFRS 2	Classification and Measurement of Share-Based Payment Transactions[1]
HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers[1]
Amendments to HKFRS 15	Revenue from Contracts with Customers (Clarifications to HKFRS 15)[1]
Amendments to HKAS 40	Transfers of Investment Property[1]
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration[1]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[2]
HKFRS 16	Leases[2]
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
HKAS 28 (Amendment)	Long-term Interests in Associates and Joint Ventures[2]
HKFRS 4 (Amendment)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[5]
HKFRS 17	Insurance Contracts[4]

[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] *The amendments were originally intended to be effective for periods beginning on or after 1 January 2016. The effective date has now been deferred/removed. Early application of the amendments continue to be permitted*

[4] *Effective for the accounting period beginning on or after 1 January 2021*

[5] *Effective for the accounting period beginning on or after 1 January 2018 or when the entity first applies HKFRS 9*

Annual Improvements to HKFRSs 2014-2016 Cycle – Amendments to HKFRS 1, First-time Adoption of Hong Kong Financial Reporting Standards

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKFRS 1, First-time Adoption of Hong Kong Financial Reporting Standards, removing transition provision exemptions relating to accounting periods that had already passed and were therefore no longer applicable.

Annual Improvements to HKFRSs 2014-2016 Cycle – Amendments to HKAS 28, Investments in Associates and Joint Ventures

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKAS 28, Investments in Associates and Joint Ventures, clarifying that a Venture Capital organisation's permissible election to measure its associates or joint ventures at fair value is made separately for each associate or joint venture.

Amendments to HKFRS 2 – Classification and Measurement of Share-Based Payment Transactions

The amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; share-based payment transactions with a net settlement feature for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

HKFRS 9 – Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income ("FVTOCI") if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at fair value through profit or loss ("FVTPL").

With respect to the Group's financial assets currently classified as "available-for-sale", these are investments in equity securities which the Group may classify as either FVTPL or irrevocably elect to designate as FVTOCI (without recycling) on transition to HKFRS 9. As at 31 March 2018, the Group held available-for-sale equity investments at cost amounted to approximately HK$192 million. The Group is still under the assessment of the impact of adopting the HKFRS 9.

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated as FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

Under the expected credit loss model, it will no longer be necessary for a loss event to occur before an impairment loss is recognised. Instead, an entity is required to recognise and measure either a twelve month expected credit loss or lifetime expected credit loss, depending on the assets and the facts and circumstances. The directors of the Company anticipate that the application of the expected credit loss model of HKFRS 9 might result in earlier provision of credit losses in relation to the Group's trade and other receivables measured at amortised costs.

HKFRS 15 – Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework 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 those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and related interpretations.

HKFRS 15 requires the application of a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to each performance obligation
Step 5: Recognise revenue when each performance obligation is satisfied

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

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

Amendments HKFRS 15 – Revenue from Contracts with Customers (Clarifications to HKFRS 15)

The amendments to HKFRS 15 included clarifications on identification of performance obligations; application of principal versus agent; licenses of intellectual property; and transition requirements.

Amendments to HKAS 40, Investment Property – Transfers of Investment Property

The amendments clarify that to transfer to or from investment properties there must be a change in use and provides guidance on making this determination. The clarification states that a change of use will occur when a property meets, or ceases to meet, the definition of investment property and there is supporting evidence that a change has occurred.

The amendments also re-characterise the list of evidence in the standard as a non-exhaustive list, thereby allowing for other forms of evidence to support a transfer.

HK(IFRIC) – Int 22 – Foreign Currency Transactions and Advance Consideration

The Interpretation provides guidance on determining the date of the transaction for determining an exchange rate to use for transactions that involve advance consideration paid or received in a foreign currency and the recognition of a non-monetary asset or non-monetary liability. The Interpretations specifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part thereof) is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

Amendments to HKFRS 9 – Prepayment Features with Negative Compensation

The amendments clarify that prepayable financial assets with negative compensation can be measured at amortised cost or at fair value through other comprehensive income if specified conditions are met – instead of at fair value through profit or loss.

HKFRS 16 – Leases

HKFRS 16, which upon the effective date will supersede HKAS 17 "Leases" and related interpretations, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 March 2018, the Group's total future minimum lease payments under non-cancellable operating lease of HK$74 million. 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 lease liability in respect of all the leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. In addition, the application of new requirement may result in changes in measurement, presentation and disclosure as indicated above.

HK(IFRIC) – Int 23 – Uncertainty over Income Tax Treatments

The Interpretation supports the requirements of HKAS 12, Income Taxes, by providing guidance over how to reflect the effects of uncertainty in accounting for income taxes.

Under the Interpretation, the entity shall determine whether to consider each uncertain tax treatment separately or together based on which approach better predicts the resolution of the uncertainty. The entity shall also assume the tax authority will examine amounts that it has a right to examine and have full knowledge of all related information when making those examinations. If the entity determines it is probable that the tax authority will accept an uncertain tax treatment, then the entity should measure current and deferred tax in line with its tax filings. If the entity determines it is not probable, then the uncertainty in the determination of tax is reflected using either the "most likely amount" or the "expected value" approach, whichever better predicts the resolution of the uncertainty.

Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify the extent of gains or losses to be recognised when an entity sells or contributes assets to its associate or joint venture. When the transaction involves a business the gain or loss is recognised in full, conversely when the transaction involves assets that do not constitute a business the gain or loss is recognised only to the extent of the unrelated investors' interests in the joint venture or associate.

Except the possible impacts as discussed above, the Group is not yet in a position to state whether the other new pronouncements will result in substantial changes to the Group's accounting policies and financial statements.

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.

An operating segment engaging in the property management business was discontinued during the year ended 31 March 2017.

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	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
	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*
											(Note)	*(Note)*		
Segment revenue:														
Sales to external customers	**1,748,703**	1,063,757	**914**	3,021	**41,787**	64,570	**–**	–	**1,791,404**	1,131,348	**–**	–	**1,791,404**	1,131,348
Sales of projects to external customers	**–**	–	**–**	–	**–**	–	**94,732**	1,053,817	**94,732**	1,053,817	**(94,732)**	(1,053,817)	**–**	–
Total	**1,748,703**	1,063,757	**914**	3,021	**41,787**	64,570	**94,732**	1,053,817	**1,886,136**	2,185,165	**(94,732)**	(1,053,817)	**1,791,404**	1,131,348
Segment (loss) profits	**(97,745)**	(483,949)	**693**	1,750	**23,054**	47,581	**661,616**	1,845,900	**587,618**	1,411,282			**587,618**	1,411,282
Amortisation of prepaid land lease payments													**(2,122)**	(1,480)
Finance costs													**(179,653)**	(218,346)
Gain on disposal of an associate													**12,557**	–
Impairment loss recognised on amounts due from associates													**(176,049)**	(253,101)
Interest income													**73,779**	7,515
Net foreign exchange losses													**135**	(21,658)
Share of profit (loss) of associates													**1,753**	(10,961)
Share of profit of joint ventures													**104,239**	2,111
Other net unallocated expense													**(57,500)**	(14,785)
Profit before taxation from continuing operations													**364,757**	900,577

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 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 associates and 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

	2018	2017
	HK$'000	*HK$'000*
Continuing operations		
Bank interest income	**20,020**	7,515
Gain on disposal of an associate	**12,557**	–
Gain on disposal of property, plant and equipment	**–**	3,531
Other interest income	**53,759**	–
Profit distribution from an available-for-sale investment	**–**	20,969
Reversal of impairment loss recognised on trade receivables	**–**	8,893
Recovery of trade receivable written off	**2,446**	–
Others	**9,881**	6,396
	98,663	47,304

5. FINANCE COSTS

	2018	2017
	HK$'000	*HK$'000*
Continuing operations		
Interest on bank borrowings	**51,567**	247,751
Interest on other borrowings	**201,739**	205,586
	253,306	453,337
Less: Amounts capitalised in properties under development	**(73,653)**	(234,991)
	179,653	218,346

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 9.08% (2017: 9.45%) per annum.

6. TAXATION

	2018	2017
	HK$'000	*HK$'000*
Continuing operations		
Current tax:		
PRC Enterprise Income Tax ("EIT")		
Provision for current year	**36,727**	58,555
Underprovision in prior years	**–**	3,630
	36,727	62,185
PRC Land Appreciation Tax ("LAT")		
Provision for current year	**48,326**	102,021
Deferred tax	**58,461**	11,868
Total tax charge for the year	**143,514**	176,074

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 FOR THE YEAR

	2018	2017
	HK$'000	*HK$'000*
Continuing operations		
Profit for the year has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment	**5,785**	7,330
Less: Amounts capitalised in properties under development	**(129)**	(160)
	5,656	7,170
Amortisation of prepaid land lease payments	**2,122**	1,480

8. DIVIDENDS

The Board does not recommend the payment of a dividend for the year ended 31 March 2018 (2017: nil).

9. EARNINGS PER SHARE

(a) Basic earnings per share

(i) From continuing and discontinued operations

The calculation of the basic earnings per share is based on the earnings for the year attributable to owners of the Company of HK$231,077,000 (2017: HK$707,452,000) and the number of 4,185,874,285 ordinary shares in issue for the years ended 31 March 2018 and 2017.

(ii) From continuing operations

The calculation of the basic earnings per share from continuing operations is based on the earnings for the year attributable to owners of the Company of HK$231,077,000 (2017: HK$724,515,000) and the same denominator used as detailed above.

(iii) From discontinued operation

Loss per share for the discontinued operation is HK0.41 cents per share for the year ended 31 March 2017, based on the loss for the year from discontinued operation of HK$17,063,000 and the same denominator used as detailed above.

(b) Diluted earnings per share

The calculation of diluted earnings per share for the years ended 31 March 2018 and 2017 did not assume the exercise of the Company's share options as the exercise prices of the share 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 doubtful debts, is as follows:

	2018	2017
	HK$'000	*HK$'000*
0 – 30 days	**2,603**	1,356
31 – 60 days	**–**	–
61 – 90 days	**–**	–
Over 90 days	**–**	105
	2,603	1,461

11. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

(a) On 13 January 2018, the Group entered into a disposal agreement with an independent third party to dispose of the entire equity interests in Century East Group Limited ("Century East Group") at a total consideration of RMB3,800,000,000. Details of the transaction are set out in the Company's announcement and circular dated 23 January 2018 and 27 April 2018 respectively. Subsequent to 31 March 2018, the transaction was approved by the shareholders in a special general meeting. In the opinion of the directors, the transaction is expected to be completed in the next twelve months from the end of the reporting period and the Group will cease to have control over Century East Group. The assets and liabilities attributable to Century East Group have been classified as a disposal group held for sale and are presented separately in the consolidated statement of financial position as at 31 March 2018.

(b) On 16 December 2016, the Group entered into a disposal agreement with independent third parties, to dispose of the entire equity interests in Kunshan Fuzhi Dingxin Equity Investment Enterprise ("Kunshan Fuzhi") at a maximum total consideration of RMB3,589,100,000. Details of the transaction are set out in the Company's announcement and circular dated 28 December 2016 and 31 March 2017 respectively. 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 as at 31 March 2017. During the year ended 31 March 2018, the transaction was completed.

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

	2018	2017
	HK$'000	*HK$'000*
Property, plant and equipment	**1,195**	–
Investment properties	**223,650**	–
Interest in an associate	**2,837,846**	588,527
Interest in a joint venture	**270,700**	–
Properties under development	**2,325,934**	–
Completed properties for sale	**3,287,188**	–
Trade receivables	**2,363**	–
Prepayments, deposits and other receivables	**385,208**	–
Amount due from an associate	**–**	528,273
Prepaid tax	**188**	–
Cash and bank balances	**317,501**	5,137
Assets classified as held for sale	**9,651,773**	1,121,937
Trade and bills payables	**403,240**	–
Deposits received from pre-sales of properties	**1,446,459**	–
Other payables and accruals	**923,404**	531,890
Amounts due to associates and joint ventures	**190,966**	–
Tax payable	**269,940**	–
Interest-bearing bank and other borrowings	**3,370,982**	–
Deferred tax liabilities	**196,096**	–
Liabilities classified as held for sale	**6,801,087**	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:

	2018	2017
	HK$'000	*HK$'000*
0 – 30 days	**14,480**	652,308
31 – 60 days	**–**	158,587
61 – 90 days	**–**	172,467
Over 90 days	**78,854**	80,544
	93,334	1,063,906

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.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATIONAL REVIEW

Corporate Brand

Coastal Greenland, the corporate brand, had been ranked among the top ten most valuable Chinese real estate company brands for the fourteen consecutive years between 2004 and 2017 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".

Property development

The Group's business strategy for its property development business is to develop quality residential estates for the upper to middle class domestic market.

For the year ended 31 March 2018, the Group recorded contracted sales in the amount of HK$4,334 million (2017: HK$3,744 million) which corresponds to a total gross floor area ("GFA") of about 319,000 sq.m. (2017: 298,000 sq.m.). Included in the amount was HK$3,294 million (2017: HK$2,411 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 217,000 sq.m. (2017: 162,000 sq.m.).

During the year ended 31 March 2018, the Group's major completed development projects were Phase VI section B of Wuhan Silo City, Phase V section CD of Wuhan Silo City and section A2-A5 of Shenyang Coastal International Centre with a total GFA of approximately 619,000 sq.m. (2017: 533,000 sq.m.) of which 108,000 sq.m. (2017: 306,000 sq.m.) related to completed development projects in which the Group has 30% equity interests and of which the Group is the project manager.

Property Investment

The Group holds some of its properties for investment purposes. The property investment portfolio of the Group includes commercial and residential properties located in the PRC. In managing the investment property portfolio, the Group takes into account the long-term growth potential and overall market conditions of the properties. The Group may sell some of its investment properties when it is in its interests to do so. Rental income for the year mainly derived from commercial properties such as office buildings, retail stores and car parks in Wuhan Silo City, Dongguan Riviera Villa and Shanghai Golden Bridge Mansion.

Project Management

In recent years, the Group has been searching for co-investment opportunities in the development projects such that it can enlarge its property portfolio without escalating its financial burden. During the year, the Group was engaged as the project managers of four (2017: five) development projects namely Beijing Bay Project, Chongqing Silo City, Shanghai Shui Du South Crest and Wuhan Lingjiao Hu Project.

Project Investment Services

During the year under review, the Group continues to look for opportunities in relation to investment in and sale of property development/land development projects in the PRC. Details of project investment services conducted during the year are set out under the heading “Major Acquisitions and Disposals” below. During the year, the Group generated a profit of about HK$661.6 million from the operations of this segment.

Prospects

After years of economic development and reforms, the economy of the PRC is transforming from growth emphasized to more quality emphasized. It is expected that going forward the PRC economic and financial policies will be more inclined to promote the development of high quality and high value added business sectors. Demand for quality housing driven by the continuing urbanization process and home upgraders needs is expected to be able to sustain a stable property market although a tighter credit supply for the real estate sector will curb the growth rate is also anticipated.

To embrace the ever-changing market conditions, the Group will continue to formulate its business strategy along the direction of government policies. Over the past years, the Group continues to look for opportunities to realise its investment in its development projects as part of the Group's business activities. The Group is glad to see that the property investment service segment continuously contribute profits to the Group's operating results. Going forward, the Group will continue to seek opportunities of participation in city redevelopment of old villages or old plants and factories so as to replenish its property portfolio as an ongoing business exercise.

With the Group's well established brand and seasoned experience in the PRC property market and the Group's significant improvement in its financial strength, although the real estate market in the PRC is facing with the challenges of a more volatile economic climate brought forth by the escalated trade war tensions between the United States and China and the austerity measures imposed by the government on the sector, the Group is cautiously optimistic about the Group's business prospect in the years ahead.

FINANCIAL REVIEW

Overall performance

For the financial year ended 31 March 2018, the Group generated a revenue of HK$1,791.4 million, representing an increase of about 58% as compared to the HK$1,131.3 million for last year. During the year, the Group realised a profit before taxation of HK$364.8 million, compared to a profit of HK$900.6 million for last year. Profit for the year attributable to owners of the Company was HK$231.1 million, compared to a profit HK$707.5 million for last year.

Revenue

The revenue of the Group primarily derived from sales of properties, property rental income and project management service income. During the year, revenue increased by about 58% to about HK$1,791.4 million from about HK$1,131.3 million in last year. About 98% (2017: 94%) of the Group's revenue was generated from the sales of properties and about 2% (2017: 6%) from property rental income and project management service income.

Sales of Properties

During the year under review, the recognised sales revenue from sales of properties was HK$1,748.7 million, representing an increase of about 64% from last year's HK$1,063.8 million, which corresponds to an increase by 48% in the total GFA delivered by the Group of 196,000 sq.m. (2017: 132,000 sq.m.). The property sales revenue for the year mainly came from the sale of Phase VI section B of Wuhan Silo City, Shenyang Coastal International Centre, Phase V section B of Dongguan Riviera Villa and Phase VII of Wuhan Silo City, which respectively accounted for about 44%, 19%, 15% and 11% of the total property sales revenue. The balance of 11% was derived from sale of the remaining inventory in the prior phases of the Group's completed development projects.

Rental Income

Revenue from property rental decreased to HK$0.9 million from last year's HK$3.0 million. The decrease was mainly due to the disposal of certain commercial properties and carparks in Wuhan Silo City during the year. The property investment segment for the year recorded a profit of HK$0.7 million comparing to HK$1.8 million for last year.

Project Management Service Income

Revenue from project management service decreased to HK$41.8 million from last year's HK$64.6 million. The decrease was due to lesser project management service income in respect of which the value of contract work completed has been confirmed and recognised during the year. The project management segment for the year recorded a profit of HK$23.1 million comparing to HK$47.6 million for last year.

Gross Profit Margin

The gross profit margin for the year was about 24%, an increase of 11% from last year's 13%. The increase was mainly due to a lower average construction cost level and a relatively higher average selling price level attained for the Group's sale for the year as compared to last year.

Other Income and Gains

Other income and gains for the year was HK$98.7 million as compared to HK$47.3 million for last year. Other income for the year mainly represented the interest income from banks of HK$20.0 million (2017: HK$7.5 million); other interest income of HK$53.8 million (2017: nil) and gain on disposal of an associate of HK$12.6 million (2017: nil). Included in last year's other income and gains were mainly profit distribution from an available-for-sale investment of HK$21.0 million and reversal of impairment loss on trade receivables of HK$8.9 million.

Marketing, Selling and Administrative Expenses

Marketing and selling costs decreased by about 33% to HK$39.5 million from last year's HK$58.7 million as a result of the decrease in the Group's selling activities during the year.

Administrative expenses for the year increased by about 26% to HK$255.5 million from last year's HK$202.9 million which was mainly due to more business development expenses incurred for the Group's development project acquisition and disposal activities during the year.

Other Expenses

Other expenses for the year was HK$453.5 million as compared to last year's HK$653.1 million. Other expenses mainly comprised of impairment loss on goodwill of HK$190.1 million (2017: nil), impairment loss recognised on amounts due from associates of 176.0 million (2017: HK$253.1 million), impairment loss recognised on prepayments, deposits and other receivables of HK$47.9 million (2017: HK$357.9 million) in relation to property development project disposal/acquisition; re-measurement loss on fair value of an interest in a joint venture of HK$17.5 million (2017: nil) and compensation costs for delay in the handover of certain completed properties to the purchasers of HK$7.9 million (2017: HK$8.2 million).

Finance Costs

During the year, the Group incurred finance costs before capitalisation (mainly interest for bank and other borrowings) of HK$253.3 million, representing a decrease of about 44% as compared to the HK$453.3 million incurred for last year. Interest expenses charged to profit or loss for the year was HK$179.7 million as compared to last year's HK$218.3 million. The decrease was mainly attributable to a decrease in the average outstanding balance of bank and other borrowings as compared to last year.

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.

As at 31 March 2018, the Group's cash and bank balances amounted to approximately HK$1,604 million (2017: HK$1,355 million). An analysis by currency denomination of the cash and bank balances is as follows:

	2018	2017
	HK$'000	*HK$'000*
Renminbi	**1,466,966**	1,342,864
Hong Kong dollar	**96,345**	5,398
United States dollar	**40,325**	6,730
	1,603,636	1,354,992

As at 31 March 2018, the net borrowings of the Group, being interest-bearing bank and other borrowings, including the other borrowings of HK$1,998 million of the disposal group which shall be assigned to the Group upon completion of the disposal, less cash and bank balances and pledged bank deposits, amounted to about HK$761 million (2017: HK$3,452 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 60% to 14% from last year's 74% which is mainly resulting from the diminution of interest-bearing bank and other borrowings in the amount of HK$1,373 million, exclusive of the HK$1,998 million other borrowing that will be assigned to the Group upon completion of the disposal, carried by the disposal group which was transferred to held for sale during the year.

Profit before interest, taxation, depreciation and amortisation was about HK$700.6 million comparing to last year's HK$1,222.5 million on the same basis. Profit before interest, taxation, depreciation, amortisation had a coverage of 2.8 times (2017: 2.7 times) over the interest costs for the financial year of HK$253 million (2017: HK$453 million).

Borrowings and Charges

As at 31 March 2018, the Group's total bank and other borrowings amounted to HK$366.7 million (2017: HK$4,806.6 million), all of which were variable-rate borrowings (2017: variable-rate borrowings of HK$266.0 million; fixed-rate borrowings of HK$4,540.6 million). Long-term borrowings amounted to HK$56.2 million (2017: HK$2,389.1 million), representing approximately 15% (2017: 50%) of the total borrowings, and short-term borrowings were HK$310.6 million (2017: HK$2,417.5 million) representing approximately 85% of the total borrowings. During the year, the ranges of effective interest rates per annum of the Group in respect of its variable-rate borrowings were 2.62% to 6.18% (2017: 2.55% to 7.2%) and fixed-rate borrowings were 2.47% to 19% in 2017.

As at 31 March 2018, the Group's bank and other borrowings were pledged with land and buildings, bank deposits, properties under development and completed properties for sale totalling HK$623.7 million (2017: HK$4,163 million).

Material Acquisitions and Disposals

(a) On 22 June 2017, the Group entered into a disposal agreement with an independent third party for the disposal of 80% equity interests in Guangzhou Haicong Real Estate Company Limited ("Guangzhou Haicong") at a total consideration of RMB80 million. Guangzhou Haicong is a wholly-owned subsidiary of the Group which has agreed to obtain certain development rights (details of which are yet to be finalised and approved by the interested parties and relevant government authorities) of a property redevelopment project in Guangzhou under a framework agreement. The transaction was completed on 25 September 2017.

(b) On 14 December 2017, the Group entered into a disposal agreement with Shenzhen Investment Limited, a substantial shareholder of the Company, for the disposal of 30% equity interests in Huizhou Shum Yip Southern Land Company Limited ("Huizhou Shum Yip") at a total consideration of RMB15 million. Huizhou Shum Yip is a 30%-owned associate of the Group and is currently undertaking a residential property project in Huizhou. The transaction was completed on 27 December 2017.

(c) On 10 January 2018, a project partner of the Group exercised a put option whereby the Group is required to acquire the 80% equity interests in Foshan Harmonious Realty Development Co., Ltd, ("Foshan Harmonious") at a buy-out-price of RMB272 million. As at 31 March 2018, Foshan Harmonious is a 20%-owned associate of the Group and is currently undertaking a residential property project in Foshan. The transaction has been completed on 2 May 2018 subsequent to 31 March 2018.

(d) On 13 January 2018, the Group entered into a disposal agreement with an independent third party for the disposal of the entire equity interests in Century East Group Limited ("Century East Group") at a total consideration of RMB3,800 million. Following the completion of an reorganization for the purpose of the transaction, the Century East Group shall include certain investment holding companies and seven project companies undertaking property development projects in Beijing, Wuhan, Foshan, Shenyang and Tianjin. The transaction has not been completed as at the date of this announcement.

(e) On 18 April 2018 a project partner of the Group exercised a put option whereby the Group is required to acquire the 60% equity interests in Wuhan Zhisheng Group Co., Ltd ("Wuhan Zhisheng") at a buy-out-price of RMB366 million. As at 31 March 2018, Wuhan Zhisheng is a 30%-owned joint venture of the Group and is currently undertaking a commercial and residential property project in Wuhan. The transaction has been completed on 24 May 2018 subsequent to 31 March 2018.

Save for the aforementioned, the Group did not undertake any material acquisitions or disposals of subsidiaries, associates and joint ventures during the year ended 31 March 2018. There was no plan authorised by the Board for any material investments or additions of capital assets as at the date of this announcement.

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. 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, most of the Group's liabilities are denominated in Renminbi. Therefore, the Director 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.

The Group does not have a foreign currency hedging policy. However, the management of the Group continuously monitors the Group's foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Contingent Liabilities

At 31 March 2018, the Group had given guarantees to the extent of approximately HK$3,892 million (2017: HK$2,828 million) to banks in respect of mortgage loan facilities granted to the property purchasers. The Group had also given guarantees amounting to approximately HK$420 million (2017: nil) and HK$1,145 million (2017: nil) to certain PRC banks and a PRC trust company respectively in connection with loan facilities granted to an associate.

Employees and Remuneration Policy

At 31 March 2018, the Group had about 250 employees (2017: about 210 employees) in the PRC and Hong Kong. The related employees' cost (including the Directors' remuneration) for the period ended 31 March 2018 amounted to approximately HK$86 million (2017: HK$76 million). 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.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company acknowledges the importance of good corporate governance practices and is committed to maintaining sound internal control, transparency and accountability to all shareholders. The Company has continued to apply and comply with the code provisions contained in the Corporate Governance Code (the "CG Code") set out in Appendix 14 of the Listing Rules on the Stock Exchange during the year, except for below deviations:

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. He is also one of the founders 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. Two independent non-executive directors and two non-executive directors were unable to attend the special general meeting and annual general meeting of the Company held on 25 April 2017 and 15 September 2017 respectively due to other important engagements. Two non-executive directors were unable to attend the special general meeting of the Company held on 17 May 2018 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 2018.

COMPLIANCE WITH THE MODEL CODE

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 the Company's code of conduct regarding directors' securities transactions. Having made specific enquiry, all directors confirmed that they have complied with the requirements as set out in the Model Code during the year ended 31 March 2018. Relevant employees who are likely to be in possession of unpublished inside information of the Group are also subject to compliance with written guidelines on no less exacting terms than the Model Code.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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 2018.

SCOPE OF WORK OF THE AUDITORS

The figures in respect of this announcement of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereon for the year ended 31 March 2018 have been agreed by the Group's auditor, BDO Limited ("BDO"), to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 March 2018. The work performed by BDO 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 BDO on this announcement.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") has reviewed the accounting principles and practices adopted by the Group and discussed the audit objectives, the scopes and the report of the internal audit department of the Group. The results of the Group for the year ended 31 March 2018 have been reviewed by the Audit Committee.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company (the "AGM") is proposed to be held on Monday, 17 September 2018. A notice convening the AGM will be published and despatched to the shareholders of the Company (the "Shareholders") in the manner as required by the Listing Rules in due course.

DIVIDENDS

The Board does not recommend the payment of a dividend for the year ended 31 March 2018 (2017: nil).

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 Wednesday, 12 September 2018 to Monday, 17 September 2018 (both days inclusive). In order to be eligible to attend and vote at the AGM, all transfers accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Tuesday, 11 September 2018.

PUBLICATION OF ANNUAL REPORT

The annual report of the Group for the year ended 31 March 2018 containing all the information required by the Listing Rules will be despatched to the Shareholders and 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
Coastal Greenland Limited
Jiang Ming
Chairman

Hong Kong, 29 June 2018

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 Mr. Zhu Guoqiang as non-executive Directors and Mr. Wong Kai Cheong, Mr. Yang Jiangang and Mr. Huang Xihua as independent non-executive Directors.