



## Coastal Greenland Injects Residential Property Business into Shanghai Fenghwa in return for not exceeding 80% Stake

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### Enhances Financial Flexibility for Future Residential and Commercial Development

(Hong Kong, 24 April 2008) – **Coastal Greenland Limited** (“Coastal Greenland” / the “Group”) (SEHK stock code: 1124), a leading Mainland China property developer, has signed a Framework Agreement (“Agreement”) to inject all of its residential property businesses into Shanghai Fenghwa Group Company Limited (“Shanghai Fenghwa”, SHA: 600615) in return for not exceeding 600 million New A Shares of Shenghai Fenghwa at the subscription price of RMB 17.40 per share (approximately HK\$19.33 per new A share). The maximum aggregate consideration will amount to RMB10,440 million (approximately HK\$11,600 million). When the transaction is completed, the Group will have over 50% but not exceeding 80% indirect ownership of Shanghai Fenghwa.

Shanghai Fenghwa is in the business of investment, development and management of residential property projects in the PRC. The audited book value of Shanghai Fenghwa’s net assets for the financial year ended 31 December 2007 was approximately RMB173.05 million (approximately HK\$192.28 million). According to the Agreement, Coastal Greenland will inject nine of its subsidiaries, which together hold interests in 12 residential property projects at various stages of development in various provinces in the PRC, into Shanghai Fenghwa. The projects have an aggregate planned gross floor area of approximately 607,000 square meters under construction and approximately 3,115,000 square meters for development (please refer to table A).

**Mr. Chan Boon Teong, Chairman of Coastal Greenland**, said, “This transaction will allow us to gain controlling stake in Shanghai Fenghwa and consolidate Shanghai Fenghwa as a standalone, professional and focused residential property company. Coastal Greenland can then focus on development and holding commercial property projects as long-term investment assets (including offices, hotels and shopping area, please refer to table B). By separating the assets and focuses of the two companies, we will enhance our fund raising capability and financial flexibility for developing future residential and commercial projects.”

The transaction has yet to be approved by the Hong Kong Stock Exchange and Chinese Security Regulatory Commission respectively, and by independent shareholders of Coastal Greenland and Shanghai Fenghwa respectively.

**Table A - Residential projects to be injected to Shanghai Fenghua**

Projects under Target Subsidiaries	Interest held by the Group as at 23 April 2008	Location	Site area sqm	Planned GFA		
				Completed sqm	Under construction sqm	For development sqm
1 Coastal Jiangxi: Jiangxi Riviera Villa project	100%	Nanchang	186,400	123,500	101,800	83,300
2 Coastal Wuhan: Wuhan Silo City project	100%	Wuhan	1,158,000	363,500	135,100	1,228,200
Shanghai Riviera Garden project	100%	Shanghai	326,100	56,300	79,100	157,400
Dongguan Riviera Villa project	100%	Dongguan	382,600	53,000	71,000	220,400
3 Coastal Beijing: Beijing Sun Villa Realhouse project	100%	Beijing	486,500	81,200	8,900	22,300
Beijing Silo City project	100%	Beijing	245,800	255,900	211,100	396,800
Shengming Kexueyuan project	100%	Beijing	21,900	0	0	39,200
Beijing Shunyi project	71%	Beijing	98,000	0	0	na
4 Coastal Shenyang: Redevelopment project of Shenyang Dongbei Furniture and Ornaments Plaza	100%	Shenyang	140,800	0	0	400,000
5 Coastal Chengdu: Chengdu Longquanyi project	79%	Chengdu	280,700	0	0	na
6 Coastal Sichuan: Chengdu Dujiangyan project	100%	Chengdu	315,800	48,400	0	267,400
7 Coastal Anshan Dalian Xinghai Bay project	50%	Dalian	34,000	0	0	300,000
<b>Total</b>			<b>3,676,600</b>	<b>981,800</b>	<b>607,000</b>	<b>3,115,000</b>

**Table B – Commercial projects retained by Coastal Greenland upon completion**

Project	Location	Type	GFA (sqm)	Interest held by the Group as at 23 April 2008
Beijing Jian Guo Men Wai	Beijing	offices	40,000	65%
Wuhan Tushu Dashijie	Wuhan	Offices/service apartment	133,000	90%
Suzhou Commercial	Suzhou	offices/shops/hotel/service apartment	116,600	100%
Shengyang Hunan - commercial	Shenyang	offices/shops/hotel	187,100	100%

- End -

**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 over 16 years. The Group's investment is focused mainly in major cities of six major economic 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 Brand in China" ranked by the "China Real Estate Top 10 Research Team" for four consecutive years since 2004. It 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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