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## ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2024

### FINANCIAL HIGHLIGHTS:

- Revenue for the year amounted to approximately HK\$4.2 million, compared to HK\$211.4 million for last year.
- Loss for the year attributable to owners of the Company was approximately HK\$1,399.5 million, compared to a loss of approximately HK\$426.5 million for last year.
- As at 31 March 2024, net debt to total equity ratio was 33%, maintaining at a manageable level.

The board (the “**Board**”) of directors (the “**Director(s)**”) of Coastal Greenland Limited (the “**Company**”) hereby announces the audited consolidated annual results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 March 2024 (the “**Year**” or “**FY2024**”), together with comparative audited figures for the year ended 31 March 2023. The following financial information is extracted from the audited consolidated financial statements as contained in the Group’s 2023/24 annual report which is to be published by the Group.

\* For identification purpose only

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 March 2024*

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Revenue</b>	5	4,177	211,406
Cost of sales		<u>(512)</u>	<u>(261,403)</u>
<b>Gross profit/(loss)</b>		<b>3,665</b>	(49,997)
Other income and gains	6	290,174	17,297
Marketing and selling expenses		–	(3,589)
Administrative expenses		(60,555)	(76,318)
Impairment loss on prepayments, deposits and other receivables, net		(491,038)	(319,856)
Impairment loss on due from associates and a joint venture		(249,289)	–
Impairment loss on interest in a joint venture		(134,256)	–
Other expenses		(25,692)	(12,572)
Write-down of land held for property development for sale		(779,358)	–
Write-down of properties under development		–	(11,451)
Finance costs	7	(27,859)	(22,741)
Share of loss of a joint venture		<u>(867)</u>	<u>–</u>
<b>Loss before taxation</b>	9	<b>(1,475,075)</b>	(479,227)
Tax credit	8	<u>75,555</u>	<u>60,281</u>
<b>Loss for the year</b>		<b><u>(1,399,520)</u></b>	<b><u>(418,946)</u></b>
<b>Other comprehensive income/(expense) for the year</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Exchange differences arising on translation to presentation currency, net		(106,558)	(299,614)
Deficit on revaluation of leasehold properties		(1,290)	(6,700)
Deferred tax credited to revaluation of leasehold properties		322	1,675
Change in fair value of equity investments at fair value through other comprehensive income, net of tax		<u>(104)</u>	<u>–</u>
<b>Other comprehensive expense for the year</b>		<b><u>(107,630)</u></b>	<b><u>(304,639)</u></b>
<b>Total comprehensive expense for the year</b>		<b><u><u>(1,507,150)</u></u></b>	<b><u><u>(723,585)</u></u></b>

		<b>2024</b>	2023
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>Loss for the year attributable to:</b>			
Owners of the Company		<b>(1,399,453)</b>	(426,485)
Non-controlling interests		<u>(67)</u>	<u>7,539</u>
		<b><u>(1,399,520)</u></b>	<b><u>(418,946)</u></b>
<b>Total comprehensive expense for the year attributable to:</b>			
Owners of the Company		<b>(1,505,436)</b>	(732,884)
Non-controlling interests		<u>(1,714)</u>	<u>9,299</u>
		<b><u>(1,507,150)</u></b>	<b><u>(723,585)</u></b>
		<b><i>HK cents</i></b>	<i>HK cents</i>
			(Restated)
<b>Loss per share</b>			
Basic and diluted	<i>11</i>	<b><u>(337.54)</u></b>	<b><u>(102.87)</u></b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	<i>Notes</i>	<b>2024</b> <b>HK\$'000</b>	2023 <i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>186,183</b>	193,071
Investment properties		<b>62,655</b>	72,989
Right-of-use assets		<b>9,833</b>	10,970
Interest in a joint venture		–	139,929
Interest in associates		–	–
Due from associates and a joint venture		<b>28,340</b>	331,353
Financial assets at fair value through other comprehensive income (“FVTOCI”)		<b>61,426</b>	63,613
Deferred tax assets		–	51,034
		<u><b>348,437</b></u>	<u>862,959</u>
<b>CURRENT ASSETS</b>			
Land held for property development for sale		<b>659,644</b>	–
Properties under development		<b>189,730</b>	196,479
Completed properties for sale		<b>80,576</b>	268,489
Prepayments, deposits and other receivables	<i>12</i>	<b>503,134</b>	5,284,847
Financial assets at fair value through profit or loss (“FVTPL”)		–	207
Pledged bank deposits		<b>102</b>	904
Cash and bank balances		<b>9,010</b>	156,669
		<u><b>1,442,196</b></u>	<u>5,907,595</u>
<b>CURRENT LIABILITIES</b>			
Trade payables	<i>13</i>	<b>7,277</b>	85,566
Contract liabilities		<b>2,224</b>	2,303
Other payables and accruals	<i>14</i>	<b>22,916</b>	2,136,430
Due to a substantial shareholder of the Company		<b>170,325</b>	169,428
Tax payables		–	154,933
Lease liabilities		–	–
Interest-bearing bank and other borrowings		<b>213,504</b>	282,498
		<u><b>416,246</b></u>	<u>2,831,158</u>

		2024	2023
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>NET CURRENT ASSETS</b>		<u>1,025,950</u>	<u>3,076,437</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,374,387</u>	<u>3,939,396</u>
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank and other borrowings		<b>53,615</b>	1,113,718
Deferred tax liabilities		<u>32,161</u>	<u>22,972</u>
		<u>85,776</u>	<u>1,136,690</u>
<b>NET ASSETS</b>		<u><b>1,288,611</b></u>	<u>2,802,706</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	<i>15</i>	<b>414,602</b>	414,602
Reserves		<u>936,027</u>	<u>2,441,463</u>
Equity attributable to owners of the Company		<b>1,350,629</b>	2,856,065
Non-controlling interests		<u>(62,018)</u>	<u>(53,359)</u>
Total equity		<u><b>1,288,611</b></u>	<u>2,802,706</u>

# NOTES

## 1. GENERAL INFORMATION

The Coastal Greenland Limited (the “**Company**”) is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

The Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in the following activities:

- property development
- property investment
- project management services
- project investment services

In the opinion of the directors of the Company (the “**Directors**”), the holding company and the ultimate holding company of the Company is Coastal International Holdings Limited, which is incorporated in the British Virgin Islands.

## 2. BASIS OF PREPARATION AND PRESENTATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The consolidated financial statements have been prepared on the historical cost basis except for leasehold land and buildings, investment properties, financial assets at FVTOCI and financial assets at FVTPL that are measured at revalued amount or fair values, as appropriate.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”) which is different from functional currency of the Company, Renminbi (“**RMB**”). The Directors consider that HK\$ is the appropriate presentation currency in view of its place of listing, and all values are rounded to the nearest thousand except when otherwise indicated.

In preparing the consolidated financial statements, the Directors have considered the future liquidity of the Group in view of its recurring losses incurred. The Group incurred a loss attributable to owners of the Company of approximately HK\$1,399.5 million for the year ended 31 March 2024 and, as of that date, the Group had interest-bearing bank and other borrowings, and due to a substantial shareholder of the Company in total of approximately HK\$437.4 million, out of which approximately HK\$383.8 million will be due for repayment within the next twelve months or repayable on demand, while its available cash and bank balances amounted to approximately HK\$9.0 million. Notwithstanding the above results, the consolidated financial statements have been prepared on a going concern basis, the validity of the going concern basis is dependent upon the success of the Group's future operations, its ability to generate adequate cash flows in order to meet its obligations as and when fall due and its ability to refinance or restructure its borrowings such that the Group can meet its future working capital and financing requirements.

Also, the Directors are of the opinion that the Group will be able to finance its future financing requirements and working capital based on the following considerations:

- the Directors have carried out a detail review of the working capital forecast of the Group for not less than fifteen months from the 31 March 2024, which took into account the projected future working capital of the Group;
- to obtain additional funds by equity financing and long-term debt financing to finance the Group's working capital and the repayment of existing debts when they fall due;
- to negotiate with the lenders of the borrowings and creditors for the extension of repayments of those borrowings and trade and other payables to a date when the Group has adequate working capital to serve the repayments;
- to formulate and closely monitor business strategy for the Group to generate cash flows from its existing operations; and
- the substantial shareholder of the Company has undertaken not to demand repayment of debts due from the Group amounting approximately HK\$170.3 million until the Group is in a financial position to do so. In addition, the substantial shareholder further advanced HK\$17.0 million in May 2024 to the Group with the same terms as with the HK\$170.3 million as stated above to strength the Group's liquidity position, and agreed to provide continual financial support and adequate funds to the Group to meet its liabilities as and when they fall due.

In view of the above, the Directors are of the opinion that there will be sufficient financial resources available to the Group to enable it to meet its liabilities as and when they fall due and to continue as a going concern. Accordingly, the Directors have prepared the consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Directors will be able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cash flows in the near future.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

### **3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs**

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2023 for the preparation of the consolidated financial statements:

HKFRS 17	<i>Insurance Contracts</i>
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to HKAS 12	<i>International Tax Reform-Pillar Two Model Rules</i>
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>

The application of the new and amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.



## Amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKAS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture<sup>3</sup></i>
Amendments to HKAS 16	<i>Lease Liability in a Sale and Leaseback<sup>1</sup></i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)<sup>1</sup></i>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants<sup>1</sup></i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements<sup>1</sup></i>
Amendments to HKAS 21	<i>Lack of Exchangeability<sup>2</sup></i>

<sup>1</sup> Effective for annual periods beginning on or after 1 April 2024

<sup>2</sup> Effective for annual periods beginning on or after 1 April 2025

<sup>3</sup> Effective date to be determined

The Directors anticipate that the adoption of the amended HKFRSs will have no material impact on the results and the financial position of the Group.

## 4. 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 (the "Board") of directors, 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 the 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:

- the property development segment engages in the development of properties for sale in the People's Republic of China (the "PRC");
- the property investment segment invests in commercial and residential properties located in the PRC for their rental income potential and/or for capital appreciation;
- the project management services segment engages in the provision of project management services in the PRC; and
- 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.

## 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:

	Property development		Property investment		Project management services		Project investment services		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Segment revenue:</b>										
Sales to external customers	363	207,110	3,814	4,296	-	-	-	-	4,177	211,406
<b>Disaggregation of revenue:</b>										
Primary geographical markets										
Anshan	-	2,862	-	-	-	-	-	-	-	2,862
Dalian	363	108	-	-	-	-	-	-	363	108
Dongguan	-	-	222	357	-	-	-	-	222	357
Jixi	-	203,690	-	-	-	-	-	-	-	203,690
Shanghai	-	450	106	113	-	-	-	-	106	563
ShenZhen	-	-	3,486	3,826	-	-	-	-	3,486	3,826
<b>Total</b>	<b>363</b>	<b>207,110</b>	<b>3,814</b>	<b>4,296</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,177</b>	<b>211,406</b>
<b>Time of revenue recognition:</b>										
At a point in time	363	207,110	-	-	-	-	-	-	363	207,110
Transferred over time	-	-	3,814	4,296	-	-	-	-	3,814	4,296
<b>Total</b>	<b>363</b>	<b>207,110</b>	<b>3,814</b>	<b>4,296</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,177</b>	<b>211,406</b>
<b>Segment results:</b>										
Segment loss	(1,057,911)	(418,083)	(329)	(14,867)	(1,155)	(817)	-	-	(1,059,395)	(433,767)
Finance costs										
Interest income									(27,859)	(22,741)
Foreign exchange gain/(loss), net									956	2,445
Impairment loss on due from associates and a joint venture, net									201	(799)
Impairment loss on interest in a joint venture									(249,289)	-
Share of loss of a joint venture									(134,256)	-
Other unallocated expenses, net									(867)	-
									(4,566)	(24,365)
Loss before taxation									(1,475,075)	(479,227)

Segment results represent the loss before tax made by each reportable segment without allocation of income and expenses of the Group's head office, finance costs, interest income, net foreign exchange difference, net impairment loss on due from associates and a joint venture, impairment loss on interest in a joint venture and share of loss of a joint venture. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

### Information about major customers

During the year ended 31 March 2024, HK\$3,429,000 was derived from transaction with a single external customer contributed 10% or more of the Group's total revenue (during the year ended 31 March 2023, no revenue from transaction with a single external customer contributed 10% or more of the Group's total revenue).

### Information about geographical areas

Information about the Group's non-current assets, excluding due from associates and a joint venture, financial assets at FVTOCI and deferred tax assets, determined based on the geographical location of the assets, is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
The PRC	146,209	271,546
Hong Kong	<u>112,462</u>	<u>145,413</u>
	<u><u>258,671</u></u>	<u><u>416,959</u></u>

### Segment assets and liabilities

The CODM evaluates segment performance based primarily on revenue and segment profits/loss, and the 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.

## 5. REVENUE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Revenue from contracts with customers</b>		
Sale of properties	363	207,110
<b>Revenue from other sources</b>		
Rental income – fixed payment	<u>3,814</u>	<u>4,296</u>
	<u><u>4,177</u></u>	<u><u>211,406</u></u>

## 6. OTHER INCOME AND GAINS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Gain on settlement of indemnity	141,793	–
Overprovision of sales and other taxes	27,896	–
Overprovision of construction cost and operating expenses	38,433	–
Write-back of trade and other payables	80,460	14,517
Bank interest income	204	2,216
Other interest income	752	229
Others	636	335
	<u>290,174</u>	<u>17,297</u>

## 7. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest on bank borrowings	41,303	81,636
Interest on other borrowings	18,296	9,254
Interest on lease liabilities	–	10
	<u>59,599</u>	<u>90,900</u>
Less: Amounts capitalised in qualifying assets	<u>(31,740)</u>	<u>(68,159)</u>
	<u>27,859</u>	<u>22,741</u>

## 8. INCOME TAX

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Enterprise Income Tax (the “EIT”)		
Current year	–	–
Overprovision in prior years	(133,402)	–
Deferred tax	<u>57,847</u>	<u>(60,281)</u>
Tax credit for the year	<u>(75,555)</u>	<u>(60,281)</u>

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 EIT (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.

## 9. LOSS BEFORE TAXATION

The Group's loss before taxation is arrived at after charging/(crediting):

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Depreciation of property, plant and equipment	400	907
Less: Amounts capitalised on qualifying assets	<u>–</u>	<u>(118)</u>
	<b><u>400</u></b>	<b><u>789</u></b>
Auditor's remuneration	1,000	1,450
Cost of completed properties sold	180	261,403
Depreciation of right-of-use assets	758	1,188
Write-down of land held for property development for sale ( <i>note a</i> )	779,358	–
Write-down of properties under development	–	11,451
Write-down of completed properties for sale*	18,281	8,532
Impairment loss on prepayments, deposits and other receivables, net ( <i>note b</i> )	491,038	319,856
Impairment loss on due from associates and a joint venture ( <i>note c</i> )	249,289	–
Impairment loss on interest in a joint venture	134,256	–
Loss on disposal of property, plant and equipment*	1,802	322
Loss on termination of a lease	–	46
Loss on write-off of assets and liabilities upon deregistration of subsidiaries*	291	3,643
Foreign exchange (gain)/loss, net	(201)	799
Rental expenses on short-term leases	503	1,040
Fair value change in investment properties*	<b><u>2,972</u></b>	<b><u>–</u></b>

\* These items are included in "other expenses" of the consolidated statement of profit or loss and other comprehensive income.

*Notes:*

- (a) The amount represented the write-down of land held for property development for sale located in Shenyang to its net realisable value for the year ended 31 March 2024, based on the valuation performed by the independent and qualified professional valuer.

- (b) The amount mainly represented impairment losses of approximately HK\$254.4 million recognised under the expected credit losses (“ECL”) model for the guaranteed dividend receivable from Tianjin Harmonious Realty Development Company Limited for the year ended 31 March 2024, based on the valuation performed by the independent and qualified professional valuer.
- (c) The amount mainly represented impairment losses of approximately HK\$245.6 million recognised under the ECL model for amount due from a joint venture, Beijing Huichao Real Estate Development Company for the year ended 31 March 2024, based on the valuation performed by the independent and qualified professional valuer.

## 10. DIVIDENDS

The Board does not recommend the payment of a dividend for the years ended 31 March 2024 and 2023.

## 11. LOSS PER SHARE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loss attributable to owners of the Company	<u>1,399,453</u>	<u>426,485</u>
Number of shares	2024	2023 (Restated)
Weighted average number of ordinary shares in issue during the years, used in basic and diluted loss per share calculation ( <i>note</i> )	<u>414,602,028</u>	<u>414,602,028</u>

The diluted loss per share is equal to basic loss per share as there were no dilutive potential ordinary shares outstanding during the years ended 31 March 2024 and 2023.

### *Note:*

The weighted average number of ordinary shares in issued has taken into account of the effect share consolidation on the basis that every ten (10) ordinary shares of HK\$0.10 each in the capital of the Company would be consolidated into one (1) ordinary share of HK\$1.00 each as if the consolidation had occurred at 1 April 2022, the beginning of the earliest period reported.

## 12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Other receivables	909,793	1,911,271
Deposits for future acquisition of land use rights	–	3,640,905
Prepaid operating expenses and other deposits	<u>34,716</u>	<u>56,567</u>
	944,509	5,608,743
Impairment allowance	<u>(441,375)</u>	<u>(323,896)</u>
	<u><u>503,134</u></u>	<u><u>5,284,847</u></u>

## 13. TRADE PAYABLES

An aged analysis of trade payables as at the end of the year based on invoice date and issuance date of each bill is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0 – 30 days	–	1,996
61 – 90 days	–	–
Over 90 days	<u>7,277</u>	<u>83,570</u>
	<u><u>7,277</u></u>	<u><u>85,566</u></u>

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 period granted.



#### 14. OTHER PAYABLES AND ACCRUALS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Sales and other taxes payables	–	34,248
Other payables	<b>17,769</b>	266,529
Advances from third parties for a redevelopment project	–	1,553,863
Accrued construction costs	<b>208</b>	15,927
Other accrued operating expenses	<b>4,939</b>	265,863
	<u><b>22,916</b></u>	<u>2,136,430</u>

#### 15. SHARE CAPITAL

	Number of ordinary shares	Share capital <i>HK\$'000</i>
Authorised:		
Ordinary shares of HK\$0.10 each at 31 March 2023 and 1 April 2023	7,000,000,000	700,000
Share consolidation ( <i>note</i> )	<u>(6,300,000,000)</u>	–
Ordinary shares of HK\$1.00 each at 31 March 2024	<u>700,000,000</u>	<u>700,000</u>
Issued and fully paid:		
Ordinary shares of HK\$0.10 each at 31 March 2023 and 1 April 2023	4,146,020,285	414,602
Share consolidation ( <i>note</i> )	<u>(3,731,418,257)</u>	–
Ordinary shares of HK\$1.00 each at 31 March 2024	<u><b>414,602,028</b></u>	<u><b>414,602</b></u>

*Note:* On 13 November 2023, the Board proposes to implement the share consolidation on the basis that every ten (10) issued and unissued existing shares of HK\$0.10 each be consolidated into one (1) consolidated share of HK\$1.00 each (the “**Share Consolidation**”). The Share Consolidation was approved by the shareholders on 13 December 2023, and became effective on 15 December 2023. Accordingly, the total number of issued ordinary shares was consolidated from 4,146,020,285 into 414,602,028 on 15 December 2023.

## 16. EVENTS AFTER THE REPORTING PERIOD

On 27 March 2024, the Group entered into a sale and purchase agreement with an independent third party for the disposal of the entire equity interest in Asiafame Development Limited (the “**Disposal Company**”), a wholly-owned subsidiary, and its subsidiaries, for a consideration of HK\$10,000 (the “**Disposal**”). The Disposal Company is principally engaged in investment holding and its subsidiaries are principally engaged in property development and investment holding. The Disposal will enable the Group to realise its investment in the Disposal Company. This transaction will be completed upon obtaining of the approval of the shareholders of the Company at the special general meeting. The Disposal constitutes a very substantial disposal for the Company under Chapter 14 of the Listing Rules. Details of which are set out in Company’s announcement dated 18 April 2024.

## **EXTRACT OF INDEPENDENT AUDITOR’S REPORT**

The following is an extract of the independent auditor’s report on the Group’s consolidated financial statements for the year ended 31 March 2024.

### **Opinion**

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### **Material Uncertainty Related to Going Concern**

We draw attention to note 2 to the consolidated financial statements that the Group incurred a loss attributable to owners of the Company of approximately HK\$1,399.5 million for the year ended 31 March 2024 and, as of that date, the Group had interest-bearing bank and other borrowings, and due to a substantial shareholder of the Company in total of approximately HK\$437.4 million, out of which approximately HK\$383.8 million will be due for repayment within the next twelve months or repayable on demand, while its available cash and bank balances amounted to approximately HK\$9.0 million.

These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group’s ability to continue as a going concern. The directors of the Company, having considered the measures being taken by the Group, are of the opinion that the Group would be able to continue as a going concern. Our opinion is not modified in respect of this matter.

# MANAGEMENT DISCUSSION AND ANALYSIS

## OPERATIONAL REVIEW

### 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.

During the Year, the Group recorded contracted sales in the amount of HK\$0.4 million (2023: HK\$19.5 million) which corresponds to a total gross floor area ("GFA") of approximately 84 sq.m. (2023: 6,000 sq.m.). Included in the amount was HK\$0.4 million (2023: HK\$1.5 million) related to contracted sales attributable to a development project in which the Group has equity interests of 35% (2023: 35%) and of which the Group is the project manager. Such development project accounted for a corresponding GFA of approximately 2,500 sq.m. (2023: 400 sq.m.).

### 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 properties in Shenzhen.

### Project Management Services

During the Year, the Group was engaged as the project managers of two (2023: two) development projects namely Beijing Bay Project Phase II and Chongqing Silo City, both of the project's constructions have been completed.

### Project Investment Services

During the years ended 31 March 2024 and 2023, the Group did not generate any profit from the operations of this segment. The Group will continue to look for opportunities in relation to investment in and sale of property development/land development projects in the PRC.

## **FINANCIAL REVIEW**

### **Overall performance**

During the Year, the Group generated revenue of HK\$4.2 million as compared to HK\$211.4 million for last year. The Group's net loss for the year was HK\$1,399.5 million (2023: HK\$418.9 million). The loss attributable to owners of the Company for the year was HK\$1,399.5 million (2023: HK\$426.5 million). The basic loss per share for the year was HK337.54 cents (2023: HK102.87 cents).

### **Revenue**

The revenue of the Group was primarily derived from sales of properties and property rental income. For the FY2024, approximately 9% (2023: 98%) of the Group's revenue was generated from the sales of properties and approximately 91% (2023: 2%) from property rental income.

### **Sales of Properties**

During the Year, the recognised sales revenue from sales of properties was HK\$0.4 million as compared to HK\$207.1 million for last year, which corresponds to a total GFA delivered by the Group of 84 sq.m. (2023: 176,000 sq.m.). The property sales revenue for the FY2024 mainly came from the sale of inventory in Dalian completed in prior years, which accounted for 100% of the total property sales revenue.

### **Rental Income**

Revenue from property rental slightly decreased to HK\$3.8 million from last year's HK\$4.3 million. The decrease was primarily attributable to the depreciation of Renminbi against Hong Kong dollar. The property investment segment for the Year recorded a loss of approximately HK\$0.3 million, comparing to a loss of approximately HK\$14.9 million for last year.

### **Project Management Services Income**

During the years ended 31 March 2024 and 2023, the Group did not generate any revenue from project management services as the Group is phasing out from the business in this segment. The project management services segment recorded a loss of approximately HK\$1.2 million for the Year comparing to a loss of approximately HK\$0.8 million for last year.

## **Gross Profit (Loss)**

The gross profit margin for the Year was approximately 88% which was in contrast to negative gross profit margin of 24% for last year. The gross profit margin of this year was mainly contributed by the revenue from property investment with higher gross margin. The negative gross profit margin of last year was primarily attributable to the recognition of sales revenue from affordable houses of Jixi Silo City during the year ended 31 March 2023 which are for resettlement of local residents and can only be sold at a lower amount than the original estimated amount.

## **Other Income and Gains**

Other income and gains for the Year was HK\$290.2 million as compared to HK\$17.3 million for last year. For details, please refer to note 6 in related to an indemnity against a legal case of approximately HK\$141.8 million by Hengxiang Real Estate and write-back of trade and other payables amounted to approximately HK\$80.5 million.

## **Marketing, Selling and Administrative Expenses**

No marketing and selling expenses was incurred for the year as no selling activities for promoting its sales was engaged during the Year.

Administrative expenses decreased by approximately 20.6% to HK\$60.6 million from last year's HK\$76.3 million. The Group will continue to implement cost control measures so as to enhance its operational efficiency.

## **Impairment Loss on Prepayments, Deposits and Other Receivables, Write-down of Land held for Property Development for Sale, Write-down of Properties Under Development and Write-down of Completed Properties for Sale**

During the Year, the impairment loss on prepayments, deposits and other receivables, net was HK\$491.0 million (2023: HK\$319.9 million), and the total of write-down of land held for property development for sale, write-down of properties under development and write-down of completed properties for sale was HK\$797.6 million (2023: HK\$20.0 million).

The impairment losses arose are mainly due to the significant downturn in the PRC property market resulting in substantial decrease in property value in general over recent years.

Details of the major impairment losses are set out in note 9 to the consolidated financial statements.

## **Finance Costs**

During the Year, the Group incurred finance costs before capitalisation (mainly interest for bank and other borrowings) of HK\$59.6 million, representing a decrease of approximately 34.4% as compared to HK\$90.9 million incurred for last year. Interest expenses charged to profit or loss for the Year was HK\$27.9 million as compared to last year's HK\$22.7 million. The decrease in finance costs was mainly attributable to a decrease in average outstanding balance of bank and other borrowings during the Year comparing to that of last year.

## **Financial Resources and Liquidity**

The Group's principal source of fund is the cash flow generated from property sales and leasing supplemented by bank and other borrowings.

As at 31 March 2024, the Group’s cash and bank balances (including pledged bank deposits) amounted to approximately HK\$9.1 million (2023: HK\$157.6 million). An analysis by currency denomination of the cash and bank balances (including pledged bank deposits) are as follows:

	<b>2024</b>	2023
	<b><i>HK\$’000</i></b>	<i>HK\$’000</i>
RMB	<b>6,564</b>	147,207
HK\$	<b>1,931</b>	7,767
United States dollar (“US\$”)	<b>617</b>	2,599
	<b><u>9,112</u></b>	<u>157,573</u>

As at 31 March 2024, the net borrowings of the Group, being interest-bearing bank and other borrowings and due to a substantial shareholder of the Company less cash and bank balances and pledged bank deposits, amounted to approximately HK\$428.3 million (2023: HK\$1,408.1 million). Net debt to total equity ratio, which is expressed as a percentage of net borrowings over equity decreased by approximately 17% to 33% from last year’s 50%, maintaining at a manageable level.

### **Borrowings and Charges**

As at 31 March 2024, the Group’s total bank and other borrowings amounted to HK\$267.1 million (2023: HK\$1,396.2 million), of which HK\$95.0 million (2023: HK\$1,316.3 million) were variable-rate borrowings and the remaining were fixed rate borrowings. Long-term borrowings amounted to HK\$53.6 million (2023: HK\$1,113.7 million), representing approximately 20% (2023: 80%) of the total borrowings, and short-term borrowings were HK\$213.5 million (2023: HK\$282.5 million) representing approximately 80% (2023: 20%) of the total borrowings. As at 31 March 2024, the ranges of effective interest rate per annum of the Group in respect of its fixed and variable rate borrowings were 12.00% (2023: 12.00%) and 4% to 6.15% (2023: 2.83% to 7.92%) respectively.

As at 31 March 2024, total facilities granted to the Group amounting to HK\$129.9 million (2023: HK\$5,483.1 million) of which HK\$129.7 million (2023: HK\$1,113.7 million) were utilised.



As at 31 March 2024, certain assets of the Group including land and buildings, investment properties, right-of-use assets, deposits for future acquisition of land use rights and financial assets at FVTOCI with aggregate carrying value of HK\$253.3 million (2023: HK\$3,910.0 million), personal guarantee and assets given by a substantial shareholder of the Company and corporate guarantees given by the Company, certain subsidiaries and third parties were pledged to secure the bank and other borrowings.

### **Material Acquisitions and Disposals**

On 2 December 2022, the Group entered into the Supplemental Agreement with an independent third party, pursuant to which the Group has conditionally agreed to sell and the independent third party has conditionally agreed to acquire 66.67% equity interest in Zhuhai Coastal. The aggregate consideration shall be satisfied by the independent third party by way of transferring the entire equity interests in two project companies and a payment in cash. As part of the transactions contemplated under the Supplemental Agreement, the outstanding balance of the Consideration Receivable would be waived by the Group. Details of which are set out in the announcement and circular of the Company dated 23 December 2022 and 29 September 2023 respectively.

On 27 March 2024, the Group entered into the Share Transfer Agreement with an independent third party, pursuant to which the Group has conditionally agreed to sell and the independent third party has conditionally agreed to acquire 100% equity interest in Asiafame Development Limited. The consideration shall be satisfied by the independent third party by cash, details of which are set out in the announcement of the Company dated 18 April 2024.

Save for the aforementioned, there was no plan authorised by the Board for any material investments or additions of capital assets as at the date of this announcement.

### **Contingent Liabilities**

As at 31 March 2024, the Group had no contingent liabilities (2023: nil).

## **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 RMB. The exchange rates of RMB against HK\$ and US\$ have been quite stable over the past years despite a steady depreciation in RMB has occurred during the Year. 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 RMB revenue to the Group. Except certain bank and other borrowings which are denominated in HK\$ which account for approximately 35.6% of the Group's total borrowings, all the other liabilities of the Group are denominated in RMB. Therefore, the Directors do not foresee that movement in the exchange rates of foreign currencies against RMB 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.

## **Employees and Remuneration Policy**

As at 31 March 2024, the Group had approximately 46 employees (2023: 41 employees) in the PRC and Hong Kong. The related employees' cost (including the Directors' remuneration and certain retrenchment costs) for the Year amounted to approximately HK\$20.7 million (2023: HK\$36.9 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 and housing allowances.

## PROSPECTS

While business activities in the PRC have been gradually resuming following the lifting of COVID-19 restrictions in early 2023, the overall business environment remained challenging with the consecutive inflations and interest rate hikes and ongoing geopolitical tensions. The central government continues to positively monitor the macro economy and has since launched various economic policies and measures to support the PRC property market and activate the capital market, as well as improve the business environment for different sectors. Following these positive factors, the PRC's economy has showed signs of improvement broadly, although the consumer confidence remains cautious and the real estate industry is still in an adjustment cycle in the near term. The Group will cautiously watch out for the outlook and the prospects of the real estate market and seize investment opportunities as appropriate.

Confronted with industry challenges, the Group will continue to formulate its business strategy along the direction of government policies, resolutely fulfill the Group's mission and corporate responsibility.

Going forward, the Group will cautiously continue to seek opportunities of participation in city redevelopment of old villages or old plants and factories to replenish its property portfolio as an ongoing business exercise and as a means of replenishing a lower cost land bank. For business development, the Group will also look for different thriving business opportunities that will benefit the Group in the years ahead. On 19 March 2024, the Company has incorporated a wholly-owned subsidiary, namely Coastal A.I. Solutions Limited (沿海人工智能實業應用有限公司) (“**Coastal A.I. Solutions**”) in Hong Kong. It is intended that Coastal A.I. Solutions would principally engage in artificial intelligence-related projects, being a new business segment of the Group currently in the initial phase of research and development. The Group would utilise its own funds to develop the new business segment and there is no certainty about the outcome of the development of the new business segment. Details of which are set out in the announcement of the Company dated 19 March 2024.

## **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 of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules throughout the Year, except for below deviations:

Code provision C.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.

Further information on the Company’s other corporate governance practices is set out in the Corporate Governance Report included in the annual report for the year ended 31 March 2024 which will be despatched to the Shareholders of the Company in due course.

## **DIRECTORS’ SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 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 or (where appropriate) during his/her tenure as a Director in the FY2024. 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 has purchased, sold or redeemed any of the shares of the Company during the Year.

## **SCOPE OF WORK OF THE INDEPENDENT AUDITOR**

The figures set out in this announcement in respect 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 2024 have been agreed by the Company's auditor, Prism Hong Kong and Shanghai Limited ("**Prism**"), to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 March 2024. The work performed by Prism 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 opinion or assurance conclusion has been expressed by Prism on this announcement.

## **AUDIT COMMITTEE**

The audit committee of the Company (the "**Audit Committee**") has reviewed the accounting policies and practices adopted by the Group and discussed and reviewed the audit objectives, the scopes and the report of the internal audit department of the Group. The annual results of the Group for the year ended 31 March 2024 have been reviewed by the Audit Committee.

## **ANNUAL GENERAL MEETING**

The forthcoming annual general meeting of the Company (the "**2024 AGM**") is proposed to be held on Tuesday, 10 September 2024. A notice convening the 2024 AGM will be published and despatched to the shareholders of the Company 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 2024 (2023: nil).

## SHARE CONSOLIDATION

On 13 November 2023, the shareholders at the special general meeting approved share consolidation on the basis that every ten (10) issued and unissued existing shares of HK\$0.10 each will be consolidated into one (1) consolidated share of HK\$1.00 each. The consolidation was implemented on 15 December 2023. 4,146,020,285 existing shares of par value HK\$0.10 each successfully converted into 414,602,028 consolidated shares par value of HK\$1.00 each which are fully paid or credited as fully paid.

## CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining shareholders' eligibility to attend and vote at the 2024 AGM, the register of members of the Company will be closed from Thursday, 5 September 2024 to Tuesday, 10 September 2024 (both days inclusive). In order to be eligible to attend and vote at the 2024 AGM, all transfers accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar and transfer office, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong, not later than 4:30 p.m. on Wednesday, 4 September 2024.

## PUBLICATION OF ANNUAL REPORT

The annual report of the Group for the year ended 31 March 2024 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, 28 June 2024

*As at the date of this announcement, the Board comprises Mr. Jiang Ming, Dr. Li Ting, Mr. Lin Chen Hsin and Ms. Tong Xinhua as executive Directors, Mr. Qiu Guizhong and Mr. Zhou Xiya as non-executive Directors and Mr. Wong Kai Cheong, Mr. Yang Jiangang and Mr. Huang Xihua as independent non-executive Directors.*