

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

### FINANCIAL HIGHLIGHTS:

- Revenue for the Period amounted to approximately HK\$1.6 million, a decrease of approximately 20% from the last corresponding period.
- Loss for the Period attributable to owners of the Company was approximately HK\$36.9 million, compared to a loss of approximately HK\$793.5 million for the last corresponding period.
- As at 30 September 2024, net debt to total equity ratio was 35.5%, compared to 33.2% as at 31 March 2024.

The board (the “**Board**”) of directors (the “**Director(s)**”) of Coastal Greenland Limited (the “**Company**”) hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 September 2024 (the “**Reporting Period**” or the “**Period**”), together with comparative unaudited figures for the corresponding period in 2023. The interim results have been reviewed by the audit committee of the Company (the “**Audit Committee**”) and approved by the Board. The following financial information is extracted from the unaudited condensed consolidated financial statements as contained in the Group’s 2024 interim report which is to be published by the Group.

\* For identification purpose only

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

*For the six months ended 30 September 2024*

		<b>Six months ended</b>	
		<b>30 September</b>	
		<b>2024</b>	2023
		<b>(unaudited)</b>	(unaudited)
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Revenue</b>	4	<b>1,585</b>	2,015
Cost of sales		<u>–</u>	<u>(218)</u>
<b>Gross profit</b>		<b>1,585</b>	1,797
Other income and gains	5	<b>4,088</b>	287
Marketing and selling expenses		<b>(28)</b>	–
Administrative expenses		<b>(26,106)</b>	(37,324)
Impairment loss recognised on other receivables, net	8	–	(744,506)
Other expenses		<b>(2,281)</b>	(1,191)
Finance costs	6	<b>(14,391)</b>	<u>(14,713)</u>
<b>Loss before taxation</b>	8	<b>(37,133)</b>	(795,650)
Taxation	7	<b>208</b>	<u>2,118</u>
<b>Loss for the period</b>		<b>(36,925)</b>	<u>(793,532)</u>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Exchange differences arising on translation to presentation currency		–	(123,868)
Deficit on revaluation of buildings		–	(5,423)
Deferred tax credit arising on revaluation of buildings		–	<u>1,356</u>
<b>Other comprehensive income for the period</b>		<u>–</u>	<u>(127,935)</u>
<b>Total comprehensive income for the period</b>		<b><u>(36,925)</u></b>	<b><u>(921,467)</u></b>

		<b>Six months ended</b>	
		<b>30 September</b>	
		<b>2024</b>	2023
		<b>(unaudited)</b>	(unaudited)
<i>Notes</i>		<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
<b>Loss for the period attributable to:</b>			
	Owners of the Company	<b>(36,924)</b>	(793,466)
	Non-controlling interests	<u>(1)</u>	<u>(66)</u>
		<b><u>(36,925)</u></b>	<b><u>(793,532)</u></b>
<b>Total comprehensive income for the period</b>			
<b>attributable to:</b>			
	Owners of the Company	<b>(36,924)</b>	(919,837)
	Non-controlling interests	<u>(1)</u>	<u>(1,630)</u>
		<b><u>(36,925)</u></b>	<b><u>(921,467)</u></b>
		<b><i>HK cents</i></b>	<b><i>HK cents</i></b>
			(Restated)
<b>Loss per share</b>			
	Basic and diluted	<b><u>(8.90)</u></b>	<b><u>(191.4)</u></b>

9

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

		30 September 2024 (unaudited) <i>HK\$'000</i>	31 March 2024 (audited) <i>HK\$'000</i>
	<i>Notes</i>		
<b>Non-current assets</b>			
Property, plant and equipment		186,625	186,183
Investment properties		62,986	62,655
Right-of-use assets		9,503	9,833
Due from associates and a joint venture		26,316	28,340
Financial assets at fair value through other comprehensive income (“FVTOCI”)		60,803	61,426
Deferred tax assets		1,857	–
		<u>348,090</u>	<u>348,437</u>
Total non-current assets			
<b>Current assets</b>			
Land held for property development for sale		662,271	659,644
Properties under development		189,730	189,730
Completed properties for sale		81,871	80,576
Prepayments, deposits and other receivables	10	508,165	503,134
Pledged bank deposits		103	102
Cash and bank balances		2,662	9,010
		<u>1,444,802</u>	<u>1,442,196</u>
Total current assets			
<b>Current liabilities</b>			
Trade payables	11	7,713	7,277
Contract liabilities		2,235	2,224
Other payables and accruals	12	42,886	22,916
Due to a substantial shareholder of the Company		205,578	170,325
Tax payable		–	–
Interest-bearing bank and other borrowings		178,559	213,504
		<u>436,971</u>	<u>416,246</u>
Total current liabilities			

	<b>30 September 2024 (unaudited) HK\$'000</b>	31 March 2024 (audited) HK\$'000
<b>Net current assets</b>	<u>1,007,831</u>	<u>1,025,950</u>
<b>Total assets less current liabilities</b>	<u>1,355,921</u>	<u>1,374,387</u>
<b>Non-current liabilities</b>		
Interest-bearing bank and other borrowings	65,902	53,615
Deferred tax liabilities	<u>31,374</u>	<u>32,161</u>
Total non-current liabilities	<u>97,276</u>	<u>85,776</u>
<b>Net assets</b>	<u><u>1,258,645</u></u>	<u><u>1,288,611</u></u>
<b>Capital and reserves</b>		
Share capital	414,602	414,602
Reserves	<u>906,245</u>	<u>936,027</u>
Equity attributable to owners of the Company	1,320,847	1,350,629
Non-controlling interests	<u>(62,202)</u>	<u>(62,018)</u>
<b>Total equity</b>	<u><u>1,258,645</u></u>	<u><u>1,288,611</u></u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. BASIS OF PREPARATION

The condensed consolidated financial statements for the six months ended 30 September 2024 (the “**Interim Financial Information**”) have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The Interim Financial Information is presented in Hong Kong dollar (“**HK\$**”), unless otherwise stated.

## 2. PRINCIPAL ACCOUNTING POLICIES

The Interim Financial Information has been prepared under the historical cost basis except for certain property, plant and equipment, investment properties and financial assets which are stated at revalued amounts or fair values, as appropriate.

The Interim Financial Information should be read in conjunction with the annual audited financial statements of the Group for the year ended 31 March 2024 (the “**2024 Financial Statements**”). The accounting policies and methods of computation used in the preparation of the Interim Financial Information are consistent with those used in the preparation of the 2024 Financial Statements, except for the adoption of certain new standards and amendments which has had no significant impact on the results and the financial position of the Group.

## 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, 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	
	Six months ended 30 September		Six months ended 30 September		Six months ended 30 September		Six months ended 30 September		Six months ended 30 September	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	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	-	104	1,585	1,911	-	-	-	-	1,585	2,015
<b>Disaggregation of revenue:</b>										
Primary geographical markets										
Dalian	-	104	-	-	-	-	-	-	-	104
Dongguan	-	-	97	121	-	-	-	-	97	121
Shanghai	-	-	26	53	-	-	-	-	26	53
Shenzhen	-	-	1,462	1,737	-	-	-	-	1,462	1,737
Total	-	104	1,585	1,911	-	-	-	-	1,585	2,015
Time of revenue recognition										
At a point in time	-	104	-	-	-	-	-	-	-	104
Transferred over time	-	-	1,585	1,911	-	-	-	-	1,585	1,911
Total	-	104	1,585	1,911	-	-	-	-	1,585	2,015
<b>Segment results:</b>										
Segment loss	(12,355)	(762,197)	(2,338)	(925)	(571)	(544)	-	-	(15,264)	(763,666)
Finance costs									(14,391)	(14,713)
Interest income									9	185
Other interest income									1,393	-
Net foreign exchange loss									585	(1)
Other net unallocated expenses									(9,465)	(17,455)
Loss before taxation									(37,133)	(795,650)

Segment results represent the loss before taxation made by each reportable segment without allocation of income and expenses of the Group's head office, finance costs, interest income and net foreign exchange differences. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

### ***Segment assets and liabilities***

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.

#### **4. REVENUE**

An analysis of the Group's revenue for the period is as follows:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	<b>2023</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Revenue from contracts with customers</b>		
Sale of properties	–	104
<b>Revenue from other sources</b>		
Rental income – fixed payment	<u>1,585</u>	<u>1,911</u>
	<u><b>1,585</b></u>	<u><b>2,015</b></u>

#### **5. OTHER INCOME AND GAINS**

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	<b>2023</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Bank interest income	9	185
Dividend income from financial assets at FVTOCI	2,650	70
Gain on write-off of assets and liabilities upon deregistration of subsidiaries	22	–
Subsidies from the PRC government	13	–
Other interest income	1,393	–
Others	<u>1</u>	<u>32</u>
	<u><b>4,088</b></u>	<u><b>287</b></u>



## 6. FINANCE COSTS

	Six months ended	
	30 September	
	2024	2023
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Interest on bank borrowings	3,137	36,241
Interest on other borrowings	11,254	10,304
	<u>14,391</u>	<u>46,545</u>
Less: Amounts capitalised on qualifying assets	<u>–</u>	<u>(31,832)</u>
	<u><b>14,391</b></u>	<u><b>14,713</b></u>

## 7. TAXATION

	Six months ended	
	30 September	
	2024	2023
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Deferred tax	<u>(208)</u>	<u>(2,118)</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 periods.

Under the Law of the PRC on Enterprise Income Tax (“EIT”) (the “EIT Law”) and Implementation Regulation of the EIT Law, the statutory tax rate of the Company’s PRC subsidiaries is 25%. No PRC EIT has been provided since there were no assessable profit generated for the six months ended 30 September 2024 and 2023.

## 8. LOSS BEFORE TAXATION

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

	Six months ended	
	30 September	
	2024	2023
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Depreciation of property, plant and equipment	184	301
Cost of completed properties sold	–	120
Depreciation of right-of-use assets	378	380
Fair value loss on financial assets at FVTPL	–	200
Impairment loss recognised on other receivables, net <sup>#</sup>	–	744,506
Indemnity against a legal case <sup>+</sup>	–	565
Loss (gain) on disposal of property, plant and equipment	–	296
Net foreign exchange loss	–	1
Rental expenses on short-term leases	–	283
	<u>          </u>	<u>          </u>

<sup>#</sup> The amount for the six months ended 30 September 2023 mainly represented impairment loss recognised for the Consideration Receivable of HK\$734,573,000 relating to a disposal transaction conducted in previous year.

<sup>+</sup> The amount represented an indemnity against a legal case in relation to a tenancy dispute with a tenant. The indemnity has been fully settled according to the judgement by the court dated 14 June 2023.

## 9. LOSS PER SHARE

	Six months ended 30 September	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss attributable to owners of the Company	<u>36,924</u>	<u>793,466</u>

	Six months ended 30 September	
	2024	2023
		(Restated)
Number of shares		
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 six months ended 30 September 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 2023, the beginning of the earliest period reported.

## 10. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 September 2024 (unaudited) <i>HK\$'000</i>	31 March 2024 (audited) <i>HK\$'000</i>
Other receivables	907,478	909,793
Prepaid operating expenses and other deposits	<u>34,913</u>	<u>34,716</u>
Impairment allowance	<u>(434,226)</u>	<u>(441,375)</u>
	<u>508,165</u>	<u>503,134</u>

## 11. TRADE PAYABLES

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

	<b>30 September</b>	31 March
	<b>2024</b>	2024
	<b>(unaudited)</b>	(audited)
	<b>HK\$'000</b>	<b>HK\$'000</b>
0 – 30 days	–	–
61 – 90 days	–	–
Over 90 days	<u>7,713</u>	<u>7,277</u>
	<u><b>7,713</b></u>	<u><b>7,277</b></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.

## 12. OTHER PAYABLES AND ACCRUALS

	<b>30 September</b>	31 March
	<b>2024</b>	2024
	<b>(unaudited)</b>	(audited)
	<b>HK\$'000</b>	<b>HK\$'000</b>
Other payables	<b>36,171</b>	17,769
Accrued construction costs	<b>329</b>	208
Other accrued operating expenses	<u><b>6,386</b></u>	<u>4,939</u>
	<u><b>42,886</b></u>	<u><b>22,916</b></u>

## 13. EVENT AFTER THE REPORTING PERIOD

Save for disclosed in this announcement, there was no significant event which could have material impact to the Group's operating and financial performance after the Reporting Period and up to the date of this announcement.

# **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. Due to the current sluggish market situation, the Group has greatly slow down its property development activities.

During the Period, the Group has no contracted sales while HK\$1.6 million of contract sales was recorded for the last corresponding period.

### **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 considers 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 Period mainly derived from properties in Shenzhen.

### **Project Management Services**

During the Period, the Group was engaged as the project managers of one (2023: two) development project namely Chongqing Silo City, the project's constructions have been completed.

### **Project Investment Services**

During the six months ended 30 September 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 project in the PRC.

## **FINANCIAL REVIEW**

### **Overall Performance**

During the Reporting Period, the Group generated revenue of HK\$1.6 million, representing a decrease of approximately 20% as compared to HK\$2.0 million for the last corresponding period. Both of the Group's net loss and loss attributable to owners of the Company for the Period were HK\$36.9 million (2023: HK\$793.5 million). The basic loss per share for the Period was HK8.90 cents (2023: HK191.4 cents).

### **Revenue**

The revenue of the Group was primarily derived from property rental income. During the Period, no revenue of the Group was generated from the sale of properties (2023: 5%) and 100% (2023: 95%) of the Group's revenue was generated from property rental income.

### **Sales of Properties**

During the Period, no sales revenue from sales of properties was recognised (2023: HK\$0.1 million).

### **Rental Income**

Revenue from property rental slightly decreased to HK\$1.6 million from HK\$1.9 million for the last corresponding period. The decrease was primarily attributable to the depreciation of Renminbi against Hong Kong dollar. The property investment segment for the Period recorded a loss of HK\$2.3 million comparing to HK\$0.9 million for the last corresponding period.

### **Project Management Services Income**

During the six months ended 30 September 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\$0.5 million for the Period and for the last corresponding period.

## **Other Income and Gains**

Other income and gains for the Period was HK\$4.1 million as compared to HK\$0.3 million for the last corresponding period. Other income and gains for the Period mainly represented dividend income from financial assets at FVTOCI of HK\$2.7 million (2023: 0.07 million). Other than that, included in the Period's other income and gains was other interest income of HK\$1.4 million (2023: HK\$nil).

## **Administrative Expenses**

Administrative expenses decreased by approximately 30% to HK\$26.0 million from the last corresponding period's HK\$37.3 million. The Group will continue to implement cost control measures to enhance its operational efficiency.

## **Other Expenses**

Other expenses for the Period was HK\$2.3 million as compared to the last corresponding period's HK\$1.2 million.

## **Finance Costs**

During the Period, the Group incurred finance costs before capitalisation (mainly interest for bank and other borrowings) of HK\$14.4 million (2023: HK\$46.5 million). Interest expenses charged to profit or loss for the Period was HK\$14.4 million as compared to the last corresponding period's HK\$14.7 million. The decrease in finance costs was mainly attributable to a decrease in average outstanding balance of bank and other borrowings during the Period comparing to that of the last corresponding period.

## **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 30 September 2024, the Group's cash and bank balances amounted to approximately HK\$2.7 million (31 March 2024: HK\$9.1 million). An analysis by currency denomination of the cash and bank balances is as follows:

	<b>30 September</b>	31 March
	<b>2024</b>	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Renminbi	<b>1,190</b>	6,564
Hong Kong dollar	<b>970</b>	1,931
United States dollar	<b>605</b>	617
	<u><b>2,765</b></u>	<u>9,112</u>

As at 30 September 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\$447.3 million (31 March 2024: HK\$428.3 million). Net debt to total equity ratio, which is expressed as a percentage of net borrowings over total equity of the Group, increased by approximately 2.3% to 35.5% from 33.2% as at 31 March 2024.

### **Borrowings and Charges**

As at 30 September 2024, the Group's total bank and other borrowings amounted to HK\$244.5 million (31 March 2024: HK\$267.1 million), of which HK\$85.0 million (31 March 2024: HK\$95.0 million) were variable-rate borrowings and the remaining were fixed rate borrowings. Long-term borrowings amounted to HK\$65.9 million (31 March 2024: HK\$53.6 million), representing approximately 27.0% (31 March 2024: 20%) of the total borrowings, and short-term borrowings were HK\$178.6 million (31 March 2024: HK\$213.5 million) representing approximately 73.0% (31 March 2024: 80%) of the total borrowings. As at 30 September 2024, the ranges of effective interest rate per annum of the Group in respect of its fixed and variable rate borrowings were 10.8% (31 March 2024: 12.00%) and 4% to 5.6% (31 March 2024: 4% to 6.15%) respectively.

As at 30 September 2024, total facilities granted to the Group amounting to HK\$129.9 million (31 March 2024: HK\$129.9 million) of which HK\$129.7 million (31 March 2024: HK\$129.7 million) were utilised.



As at 30 September 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 (31 March 2024: HK\$253.3 million), personal guarantee and certain assets of a substantial shareholder of the Company and corporate guarantee given by the Company, certain subsidiaries and third parties were pledged to secure the bank and other borrowings.

### **Material Acquisitions and Disposals**

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 and the circular of the Company dated 18 April 2024 and 26 July 2024 respectively.

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 30 September 2024, the Group had no contingent liabilities (31 March 2024: nil).

### **Exposure to Fluctuation 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 Period. 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 in the PRC and will generate RMB revenue to the Group. Except certain bank and other borrowings which are denominated in HK\$, most of the Group's liabilities 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 30 September 2024, the Group had approximately 82 employees (2023: 40 employees) in the PRC and Hong Kong. The related employees' cost (including the Directors' remuneration) for the Period amounted to approximately HK\$12.1 million (2023: HK\$10.3 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 as the global economic outlook is weak and filled with uncertainties. 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.

## **CORPORATE GOVERNANCE PRACTICES**

The Group is committed to maintaining a high standard of corporate governance. The Board considers that sound and well-established corporate governance practices are not only essential to the Group's healthy growth under all business environments, but also essential for the interest's sake of shareholders and other stakeholders including, but not limited to, customers, suppliers, employees and the general public. The Group abides strictly by the governing laws and regulations of the jurisdictions where it operates and observes the applicable guidelines and rules issued by regulatory authorities. It regularly undertakes review of its corporate governance system to ensure it is in line with regulatory requirements. The Company has continued to apply and comply with the code provisions ("**Code Provision(s)**") contained in the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 of the Listing Rules during the Period, 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.

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**") as the Company's code of conduct regarding Directors' securities transactions. Having made specific enquiries, all of the Directors confirmed that they have complied with the requirements as set out in the Model Code during the Period. 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.

## **INTERIM DIVIDEND**

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2024 (2023: nil).

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Period.

## **REVIEW OF INTERIM RESULTS**

The Audit Committee has reviewed with the management of the Company the accounting policies and practices adopted by the Group and discussed, among other things, internal controls, risk management and financial reporting matters including a review of the Interim Financial Information.

## **PUBLICATION OF INTERIM REPORT**

The interim report of the Group for the six months ended 30 September 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, 14 November 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.*