

[For immediate release]



Rykadan Capital Full Year Profit Triples to HK\$422 Million

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Successfully exits first investment project and delivers strong dividend to shareholders

Financial Highlights

HK\$'000	For the year ended 31 March		
	2014	2013	% Change
Revenue	2,201,397	156,422	+1,307%
Gross profit	1,068,612	41,974	+2,446%
Profit for the year from continuing and discontinued operations	752,266	139,483	+439%
Profit attributable to equity shareholders of the Company	421,874	138,099	+206%
Basic earnings per share (HK dollars)	0.884	0.289	+206%
Net asset value per share (HK dollars)	3.00	2.12	+42%
Final dividend per share (HK dollars)	0.32	0.05	+540%

Hong Kong, June 25, 2014 – Rykadan Capital Limited (“Rykadan Capital” or the “Company”, together with its subsidiaries, the “Group”; SEHK: 2288) today announced its annual results for the year ended 31 March 2014.

Financial performance

During the year under review, the Group recorded consolidated revenue of HK\$2,201 million, an increase of 1,307% compared to the previous year (2013: HK\$156 million). The increase in revenue was mostly attributable to the booking of revenue from the sale of 19 floors of Rykadan Capital Tower, a 25-storey commercial tower in Hong Kong. It was the Group’s first successfully completed

investment project following its transformation into an investment holding company in 2012.

Gross profit for the year rose 2,446% to HK\$1,069 million (2013: HK\$42 million). Gross profit margin for the year was 48.5% (2013: 26.8%). Profit for the year from continuing and discontinued operations rose to HK\$752 million, a 439% increase to the profit of last year.

Profit attributable to equity shareholders of the Company for the year rose to HK\$422 million, an increase of 206% compared to the previous year (2013: HK\$138 million). In addition to proceeds gain from the sale of most of Rykadan Capital Tower, the rise in profit attributable to equity shareholders of the Company was also attributable to a revaluation surplus on investment property of HK\$55 million (2013: Nil).

The Board of Directors declared a final dividend per share of HK 32 cents. Together with the interim dividend of HK 5 cents per share already declared, total dividends for the year were HK 37 cents.

As of 31 March 2014, the Group remained in a strong financial position, with bank deposits and cash of HK\$958 million (2013: HK\$230 million), representing 43.4% of total assets. Net asset value per share rose to HK\$3.00, up 42% from HK\$2.12 in the year ended 31 March 2013.

Mr. William Chan, Chairman and CEO of Rykadan Capital Limited said, “We are extremely pleased to book revenue from our first completed investment project so soon after our corporate transformation into an investment holding company. Rykadan Capital Tower is the first of what will be a solid track record of investments that will deliver sustainable yields and reasonable capital gains to our shareholders.”

Ongoing investments

The Group held a number of other investments in hand as at 31 March 2014, with a view of growing asset values, achieving stable yields and exiting within a three-to-five year horizon:

- *Rykadan Capital Tower:* the Group continues to retain two floors of 135 Hoi Bun Road, Kwun Tong. The building is in the process of being occupied.
- *Kailong Nanhui Business Park:* a high potential 52,304 square metre business park in Shanghai, located near the newly created Shanghai Free Trade Zone.
- *Kwun Chung Street Property Project:* a planned mixed residential/commercial 25-storey tower with a total gross floor area of approximately 25,305 square feet in Kowloon’s Jordan district, close to the planned terminus of the Guangzhou–Shenzhen–Hong Kong Express Rail Link. In June 2014 (subsequent to the year under review), the Group acquired the remaining 20% share ownership of the project from a minority shareholder.
- *Wing Lok Innovative Education Corporation:* an educational software developer, educational publication provider, pre-school learning centre service provider and developer of educational mobile applications for children

- *Kailong REI Project Investment Consulting (Hong Kong) Co. Limited*: a subsidiary of the Group and a leading player in China's real estate investment, asset management and fund management markets
- *Q-Stone Building Materials Limited*: a wholly owned subsidiary of the Group and the exclusive PRC distributor of Quarella, a world leader in the production of marble-based and quartz-based stone composite surfaces products, popularly used for benchtops, bathroom surfaces and floor tiles
- *Rykadan Hospitality Investments Pte. Ltd.*: a wholly owned subsidiary of the Group based in Singapore, which invests in high potential hospitality and tourism related assets. In March 2014, it opened its first resort in Bhutan's Punakha Valley, an emerging high-end tourism destination, under the new Dhensa Luxury Resorts brand. The Punakha Valley's resort is held by a joint venture with a local partner in Bhutan.
- *Sundart Holdings Limited*: the Group's former fitting out business, in which it retains a 15% stake

Future prospects

Looking forward, the Group remains cautiously optimistic about the prospects of its business, as global economic conditions steadily improve. Although slowing economic growth in the PRC and stagnation in the Hong Kong property market may impact some of the Group's investments in the short-term, the Group continues to see strong long term value in Hong Kong and the PRC real-estate markets, particularly in prime cities such as Shanghai.

Along other areas, the Group is currently evaluating investment opportunities in overseas commercial and residential real estate assets, particularly in London and certain parts of the United States.

Mr. Chan said, "We look forward to adding a number of new high-potential investments in the future. We will also continue to leverage on the experience of our management team and business partners to materialise investments in a timely manner to unlock value and support Rykadan Capital's future performance."

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About Rykadan Capital Limited

Rykadan Capital Limited is a Hong Kong-based investment holding company. It invests in a growing number of real estate and high-potential projects in the Greater China region and overseas with a view to grow asset values and provide strong returns for shareholders. For more information, please visit www.rykadan.com.

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