

[For immediate release]



Rykadan Capital Maintains Profitability in 2014/15 Interim Period

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Group reallocates capital into high-potential U.S. real estate property projects

Financial Highlights

<i>HK\$'000</i>	For the six-month period ended 30 September	
	2014	2013
Revenue from continuing operations	130,323	33,851
Gross profit from continuing operations	24,468	14,607
Profit for the period	294	21,987
Profit attributable to shareholders of the Company	2,052	14,936
(Loss)/earnings per share from continuing operations (<i>HK cents</i>)	(2.0)	2.9
Interim dividends per share (<i>HK cents</i>)	-	5

	For the period / year ended	
	30 Sept 2014	31 Mar 2014
Net assets per share (<i>HK dollars</i>)	2.38	3.00

Hong Kong, November 27, 2014 – Rykadan Capital Limited (“Rykadan Capital” or the “Company”, together with its subsidiaries, the “Group”; SEHK: 2288) today announced its unaudited interim results for the six-month period ended 30 September 2014.

Financial Performance

The six-month period ended 30 September 2014 saw Rykadan Capital invest in the high-potential United States property sector for the first time, as it sought to reallocate its capital into opportunities that offer better potential returns for shareholders.

During the interim period, the Group recorded consolidated revenue of HK\$130 million from business segments under continuing operations, up 285% compared to the corresponding period of last year (six-month period ended 30 September 2013: HK\$34 million). Gross profit for these segments was HK\$24 million (six-month period ended 30 September 2013: HK\$15 million).

Net profit for the period from continuing and discontinued operations was HK\$0.3 million. Profit attributable to shareholders of the Company was HK\$2 million.

Basic earnings per share from continuing operations for the six-month period ended 30 September 2014 was HK 2.0 cents (loss) (six-month period ended 2013: HK 2.9 cents).

The Board of Directors does not recommend the payment of an interim dividend for the six-month period ended 30 September 2014.

As of 30 September 2014, the Group remained in a strong financial position, with bank deposits and cash of HK\$581 million (31 March 2014: HK\$958 million), or 32.4% of total assets.

Net assets per share as of 30 September 2014 amounted to HK\$2.38 (31 March 2014: HK\$3.00), corresponding to total net assets of HK\$1,135 million (31 March 2014: HK\$1,432 million).

Investment highlights

As of 30 September 2014, the Group held a series of investments in hand, with a view of growing asset values, achieving stable yields and exiting within a three to five year horizon. These investments include:

- *U.S.A. property*: two high-potential properties in the cities of San Marino and Pasadena in Los Angeles County, California – both popular cities with high-end investors, particularly from Asia. The Group is in the initial stages of redeveloping the properties, with a view of materializing its investments within 2-3 years. In addition, the Group invested in two additional residential properties in Los Angeles County after the end of the reporting period.
- *Kailong Nanhui Business Park*: a high potential 52,304 square metres business park in Shanghai Pudong, 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 25,333 square feet in Kowloon's Jordan district, close to the planned terminus of the Guangzhou-Shenzhen-Hong Kong Express Rail Link.
- *Rykadan Capital Tower*: the Group continues to retain two floors of 135 Hoi Bun Road, Kwun Tong.
- *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 early 2014, it opened its first resort in Bhutan under the Dhensa brand, a joint-venture with a local partner.

- *Sundart Holdings Limited*: the Group's former fitting out business, in which it retains a 15% stake.
- *Kailong Holdings Limited*: the Group's strategic partner in the Greater China region and former real estate investment, asset management and fund management subsidiary, in which it retains a 9.74% stake.

Future Prospects

The Group believes that its recent investments in United States properties will diversify its investment portfolio and mitigate any possible slowdowns in Hong Kong and the PRC property sectors in the coming years. The Group expects global capital to continue to flow into the United States, despite the conclusion of the Federal Reserve's quantitative easing program, as investors seek better returns in the context of weakening economic conditions in Europe and emerging markets including China. The Group further expects much of this capital will flow into real estate, particularly in large cities such as Los Angeles.

The Group will continue to leverage on its experienced management team and business partners to evaluate future real estate investment opportunities in order to maximise future returns for shareholders. It will also continue to actively manage its ongoing investments in the Greater China region, South-East Asia and the United States to support its future performance and unlock value for shareholders in a timely manner.

Mr. William Chan, Chairman and CEO of Rykadan Capital Limited said, "We are excited to be increasing our exposure in the United States, which is leading the developed world in economic growth and investor returns. We are confident that these investments will boost Rykadan Capital's future financial 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 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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