

[For immediate release]



Rykadan Capital Shifts Further into Real Estate in Full-Year 2014/15 While Remaining Profitable

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Group adds more high-potential overseas properties to investment portfolio while exiting earlier investments

Financial Highlights

<i>HK\$'000</i>	For the year ended 31 March		
	2015	2014 <i>(Re-presented)</i>	% Change
Revenue from continuing operations	321,723	2,116,234	-85%
Gross profit from continuing operations	87,737	1,005,965	-91%
Profit for the year	111,645	752,266	-85%
Profit attributable to shareholders of the Company	113,414	421,874	-73%
Earnings per share from continuing operations (<i>HK cents</i>)	21.3	84.3	-75%
Final dividend per share (<i>HK dollars</i>)	0.05	0.32	-84%
Net assets per share (<i>HK dollars</i>)	2.62	3.00	-13%

Hong Kong, June 12, 2015 – 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 2015.

Financial performance

During the year ended 31 March 2015, the Group recorded consolidated revenue of HK\$322 million from business segments under continuing operations (2014: HK\$2,116 million). Gross profit and gross profit margin for these segments were HK\$88 million (2014: HK\$1,006 million) and 27.3% (2014: 47.5%) respectively.

Net profit for the year from continuing and discontinued operations was HK\$112 million (2014: HK\$752 million). Profit attributable to equity shareholders of the Company was HK\$113 million (2014: HK\$422 million).

The decline was mostly attributable to a one-off gain from the sale of 19 floors of Rykadan Capital Tower, a 25-storey commercial tower in Hong Kong, in the year ended 31 March 2014.

Basic earnings per share from continuing operations for the year ended 31 March 2015 was HK21.3 cents (2014: HK84.3 cents).

The Board of Directors declared a final dividend per share of HK 5 cents.

As of 31 March 2015, the Group remained in a strong financial position, with bank deposits and cash of HK\$280 million (2014: HK\$958 million) or 16.8% of total assets.

Net assets per share as of 31 March 2015 was HK\$2.62 (31 March 2014: HK\$3.00), corresponding to the net assets of HK\$1,252 million (31 March 2014: HK\$1,432 million).

Mr. William Chan, Chairman and CEO of Rykadan Capital Limited said, “This year saw a further focusing of our investment portfolio as we exited some investments and relocated capital into projects. We are confident that this will enable us to provide better returns to our shareholders in the medium to long-term.”

Ongoing investments

The Group held a series of investments in hand as at 31 March 2015, with a view of growing asset values, achieving stable yields and exiting within a three-to-five year horizon:

- *United States property:* four properties in the cities of San Marino, Pasadena and Arcadia in Los Angeles County, California, U.S.A. The Group is in the initial stages of redeveloping the properties, with a view to materialise these investments within 2-3 years.
- *United Kingdom property:* a 11,041 square feet commercial property located in London’s Shoreditch district, a few minutes’ walk from Old Street roundabout – also known as ‘Silicon Roundabout’ – one of the world’s largest clusters of technology startups.
- *Kailong Nanhui Business Park:* a high potential 52,304 square metre business park in Shanghai, located near the Shanghai Free Trade Zone.
- *Kwun Chung Street Property Project:* a mixed residential/commercial 25-storey tower with a total gross floor area of approximately 25,333 square feet currently under construction in Kowloon’s Jordan district. It is located 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, which invests in high potential hospitality and tourism related assets. It currently operates the Dhensa Punakha, a 24-suite resort located in Bhutan's Punakha Valley, an emerging high-end tourism destination. The resort is a joint-venture with a Bhutanese local partner.
- *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 the Group currently retains a 9.74% stake

Future prospects

Looking forward, the Group believes that its recent property investments in the U.S.A. and the U.K. will further diversify its investment portfolio. Despite the conclusion of the Federal Reserve's quantitative easing program, the Group expects global capital to continue to flow into the U.S.A., as investors seek better returns. As for the U.K., the Group believes that the London property market will continue to perform strongly following the recent highly-conclusive election in the U.K. and continued economic recovery.

The Group will continue to leverage its experienced management team and business partners to evaluate future real estate investment opportunities in order to maximise future returns for shareholders.

The Group also expects to launch the pre-sale of the Kwun Chung Street Property Project in the second half of 2015.

Mr. Chan said, "We will also continue to actively manage our ongoing investments in the Greater China region, South-East Asia, the U.S.A. and the U.K. in order to support our future performance and unlock value for shareholders in a timely manner."

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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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