

[For immediate release]



## Rykadan Capital Announces 2015/16 Interim Results

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*Group continued to develop its investment portfolio and grow its project pipeline to support future shareholder returns*

### Financial Highlights

	For the six-month period ended 30 September		
<i>HK\$'000</i>	2015	2014	% Change
Revenue from continuing operations	96,269	130,323	-26.1%
Gross profit from continuing operations	34,698	24,468	41.8%
(Loss)/profit for the period	(24,222)	294	N/A
(Loss)/profit attributable to shareholders of the Company	(22,783)	2,052	N/A
Loss per share from continuing operations ( <i>HK cents</i> )	(4.8)	(2.0)	-140%
Interim dividend per share ( <i>HK dollars</i> )	-	-	-

	For the period / year ended	
	30 Sept 2015	31 Mar 2015
Net assets per share ( <i>HK dollars</i> )	2.49	2.62

**Hong Kong, November 25, 2015** – Rykadan Capital Limited (“Rykadan Capital” or the “Company”, together with its subsidiaries, the “Group”; SEHK: 2288) today announced its interim results for the six-months ended 30 September 2015.

### Financial performance

During the six-month period ended 30 September 2015, the Group recorded consolidated revenue of HK\$96 million (revenue from business segments under continuing operations in the six-month period ended 30 September 2014: HK\$130

million). Gross profit and gross profit margin was HK\$35 million (gross profit from business segments under continuing operations in the six-month period ended 30 September 2014: HK\$24 million) and 36% (gross profit margin from business segments under continuing operations in the six-month period ended 30 September 2014: 18.8%) respectively.

The Group recorded a net loss for the period of HK\$24 million (net profit for the six-month period ended 30 September 2014: HK\$0.3 million). The loss attributable to equity shareholders of the Company was HK\$23 million (profit attributable to shareholders of the Company for the six-month period ended 30 September 2014: HK\$2 million).

The net loss was mostly attributable to an unrecovered receivable related to the disposal of an educational-related investment in the previous year, an increase in certain project costs and the absence of one-off gains from the sale of 30% of Kailong Holdings Limited in the six-month period ended 30 September 2014. The Group has initiated legal proceedings to recover the above receivable.

Basic earnings per share for the six-month period ended 30 September 2015 was a loss of HK4.8 cents (basic earnings per share from continuing operations in the six-month period ended 30 September 2014: a loss of HK 2.0 cents).

The Board of Directors does not recommend the payment of an interim dividend for the six-month period ended 30 September 2015.

As of 30 September 2015, the Group remained in a strong financial position, with bank deposits and cash of HK\$223 million (31 March 2015: HK\$280 million) or 13.8% of total assets.

Net assets per share as of 30 September 2015 amounted to HK\$2.49 (31 March 2015: HK\$2.62), corresponding to total net assets of HK\$1,189 million (31 March 2015: HK\$1,252 million).

### Ongoing investments

The Group held a series of investments on hand as at 30 September 2015, with a view of growing asset values, achieving stable yields and exiting within a three-to-five year horizon:

- *United States properties:* four properties in the cities of San Marino, Pasadena and Arcadia in Los Angeles County, California, U.S.A. Two of these properties are currently under construction, with the remaining two in the planning stage. The Group will continuously review and assess the projects with a view of materialising these investments at an appropriate time.
- *United Kingdom property:* a 10,947 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.

- *THE PASEO*: a mixed residential/commercial 25-storey tower named THE PASEO with a total gross floor area of approximately 25,338 square feet currently under construction in Kowloon's Tsim Sha Tsui district. The construction of the building is expected to be completed in the first quarter of 2017.
- *Wing Hong Street Property Project*: an industrial property with a land area of 14,506 square feet in the promising Kowloon West business district, located minutes from Lai Chi Kok MTR station. The Group plans to demolish the existing building and redevelop the property into a brand new high-quality industrial property for reselling purposes.
- *Rykadan Capital Tower*: The Group continues to retain two floors of Rykadan Capital Tower, for its own use and for rental income and potential rental income.
- *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 assets. It currently invests in 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 retains a 9.74% stake as at 30 September 2015. In November 2015, the Group entered into a repurchase agreement with Kailong Holdings Limited to dispose of the entire 9.74% interest.

### Future prospects

The Group remains optimistic about the long-term prospects of the Hong Kong, the U.S.A. and the U.K. property markets. The shift of global capital away from emerging markets in favour of well-established and relatively lower-risk markets will support higher-than-average returns in commercial centres such as Hong Kong, Los Angeles and London.

The Group will continue to prudently evaluate new investment opportunities and leverage its experienced management team and business partners to further diversify the Group's portfolio, develop its reputation as an asset manager and maximise future returns for shareholders. The Group will also continue to actively manage its ongoing investments in the Greater China region, South-East Asia, the U.S.A. and the U.K. 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 have overseen the further development of our investment portfolio on a number of different fronts during the first half of the financial year, enabling us to continue building our reputation as a property developer and asset manager.

“While our short-term revenue and profit will continue to fluctuate between reporting periods as a result of our business model, we are confident in our ability to deliver medium to long-term returns to shareholders as we build our project pipeline and exit our current investments.”

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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](http://www.rykadan.com).

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