

[For immediate release]



## Rykadan Capital Announces 2015/16 Annual Results

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*Group oversees rapid expansion of its property development business, building its track record and positioning it for future returns*

### Financial Highlights

<i>HK\$'000</i>	<b>For the year ended 31 March</b>	
	<b>2016</b>	<b>2015</b>
Revenue from continuing operations	153,108	321,723
Gross profit from continuing operations	38,045	87,737
(Loss)/profit for the year	(91,636)	111,645
(Loss)/profit attributable to shareholders of the Company	(83,363)	113,414
(Loss)/earnings per share from continuing operations ( <i>HK cents</i> )	(17.5)	21.3
Final dividend per share ( <i>HK dollars</i> )	0.03	0.05
Net assets per share ( <i>HK dollars</i> )	2.34	2.62

**Hong Kong, June 16, 2016** – 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 2016.

#### Financial performance

During the year ended 31 March 2016, the Group recorded consolidated revenue of HK\$153 million from business segments under continuing operations (2015: HK\$322 million). The gross profit and gross profit margin for these segments were HK\$38 million (2015: HK\$88 million) and 24.8% (2015: 27.3%) respectively.

The Group recorded a loss of HK\$92 million for the year from continuing and discontinued operations (2015: profit of HK\$112 million). It recorded a loss

attributable to equity shareholders of the Company of HK\$83 million (2015: profit attributable to equity shareholders of the Company of HK\$113 million).

The loss was mostly attributed to the marketing costs incurred in property development projects while the properties have not yet been delivered, a delay of certain projects in the PRC for the distribution of construction and interior decorative materials business as a result of the PRC's sluggish property market, the net foreign exchange losses that arose from fluctuations of the Renminbi and Euro, fair value losses on investment properties in the PRC and the absence of one-off gain from a disposal of discontinued operations during the year ended 31 March 2015.

The basic loss per share from continuing operations for the year ended 31 March 2016 was HK 17.5 cents (2015: earnings of HK 21.3 cents per share).

The Board of Directors declared a final dividend per share of HK 3 cents.

As of 31 March 2016, the Group had bank deposits and cash of HK\$132 million (2015: HK\$280 million) or 6.7% of total assets.

Net assets per share as of 31 March 2016 was HK\$2.34 (31 March 2015: HK\$2.62 per share), corresponding to the net assets of HK\$1,116 million (31 March 2015: HK\$1,252 million).

#### Summary of ongoing investments

As at 31 March 2016, the Group held a series of investments in hand as part of its property development, property investment and distribution of construction and interior decorative materials businesses, with a view to grow asset values, achieve stable yields and exit within a three-to-five year horizon.

#### *Property development:*

- THE PASEO - a mixed residential/commercial 25-storey tower currently under construction in Kowloon's Tsim Sha Tsui district. The pre-sale of the residential portion was recently completed, with construction expected to be completed in 2016;
- 'Wing Hong Street Project' – a 14,506 square feet industrial property under redevelopment in the promising Kowloon West business district;
- 'Maple Street Project' – a 7,200 square feet industrial property under redevelopment in Kowloon's Tai Kok Tsui district;
- 'Shoreditch Project' – a 10,939 square feet commercial property located in London's premier technology start-up cluster, currently under refurbishment;
- Three properties in the cities of San Marino and Arcadia in Los Angeles County, California, U.S.A.;
- 'Rykadan Management Services Ltd.' – a provider of property development management services

#### *Property investment:*

- Two floors of Rykadan Capital Tower in Kwun Tong, Hong Kong's second CBD;
- 'Kailong Nanhui Business Park' – a 52,304 square metres business park in Shanghai;
- 'Dhensa' – a 24-suite resort located in Bhutan's Punakha Valley

*Trading in construction and interior decorative materials:*

- 'Q-Stone Building Materials Limited' – the exclusive PRC distributor of Quarella, a world leader in the production of marble-based and quartz-based stone composite surfaces products

Future prospects

The Group remains optimistic about the prospects for the Hong Kong commercial and industrial property market despite the current slowdown being experienced in other parts of the market. Buyers will continue to be attracted to the ongoing rejuvenation of ex-industrial areas such as West Kowloon, a trend that the Group is well positioned to benefit from due to the lack of space and development opportunities in traditional commercial districts.

The Group also remains optimistic about the long-term prospects of the U.S.A. and the U.K. property markets as global capital continues to shift away from emerging markets in favour of well-established and relatively lower-risk markets.

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 and overseas 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,** "This year saw a rapid expansion of our property development business, headlined by the successful pre-sale of THE PASEO, our second real estate project in Hong Kong and our first residential property. 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 add value to our investments ahead of future monetisation.

"We will continue to build our track record and experience as a property investor and asset manager in order to deliver strong returns to shareholders in the future."

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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 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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