

[For immediate release]



Rykadan Capital Announces 2016/17 Interim Results

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The Group moves ahead with marketing its property projects, building a pipeline for future returns

Financial Highlights

	For the six-month period ended 30 September	
<i>HK\$'000</i>	2016	2015
Revenue	153,524	96,269
Gross profit	37,560	34,698
Loss for the period	(10,511)	(24,222)
Loss attributable to equity shareholders of the Company	(9,269)	(22,783)
Loss per share (<i>HK cents</i>)	(1.9)	(4.8)
Interim dividend per share (<i>HK dollars</i>)	-	-

	At 30 Sept 2016	At 31 Mar 2016
Net assets per share (<i>HK dollars</i>)	2.27	2.34

Hong Kong, November 28, 2016 – 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 2016.

Financial performance

During the six-month period ended 30 September 2016, the Group recorded consolidated revenue of HK\$154 million (six-month period ended 30 September 2015: HK\$96 million). Gross profit and gross profit margin were HK\$38 million (six-month period ended 30 September 2015: HK\$35 million) and 24.5% (six-month period ended 30 September 2015: 36.0%) respectively.

The Group recorded a net loss for the period of HK\$11 million (six-month period ended 30 September 2015: HK\$24 million). The loss attributable to equity

shareholders of the Company was HK\$9 million (six-month period ended 30 September 2015: HK\$23 million).

The net loss was mostly attributable to net foreign exchange losses arising from the fluctuation of the Renminbi and British Pound, as well as the selling and marketing costs incurred from property development projects while the properties have not yet delivered.

Basic loss per share for the six-month period ended 30 September 2016 was HK1.9 cents (six-month period ended 30 September 2015: HK 4.8 cents).

The Board of Directors does not recommend an interim dividend for the six-month period ended 30 September 2016.

As of 30 September 2016, the Group remained in a strong financial position, with bank deposits and cash of HK\$212 million (31 March 2016: HK\$132 million) or 11.0% (31 March 2016: 6.7%) of the Group's total assets.

Net assets per share as of 30 September 2016 amounted to HK\$2.27 (31 March 2016: HK\$2.34), corresponding to total net assets of HK\$1,085 million (31 March 2016: HK\$1,116 million).

Ongoing investments

As of 30 September 2016, the Group held a series of investments on hand in the areas of property development, property investment and hospitality operations, and distribution of construction and interior decorative materials. It retains these investments with a view of growing asset values, achieving stable yields and exiting within a three-to-five year horizon.

Property development:

- *THE PASEO* – a mixed residential/commercial 25-storey tower in Kowloon's Tsim Sha Tsui district. Construction has been completed, the pre-sale of the residential portion has been concluded and subsequent handovers are expected to be finalised by the beginning of 2017;
- *Wing Hong Street Project (current project name: THE AGORA)* – a total gross floor area of approximately 181,687 square feet industrial property under redevelopment in the promising Kowloon West business district. The pre-sale of the project was launched during the period, with construction expected to be completed in 2018
- *Maple Street Project* – a land area of 7,200 square feet industrial property under planning in Kowloon's Tai Kok Tsui district;
- *Shoreditch Project* – a total gross floor area of approximately 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 and hospitality operations:

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

Distribution of construction and interior decorative materials:

- 'Q-Stone Building Materials Limited'¹ – the exclusive PRC distributor of Quarella, a world leader in the production of marble-based and quartz-based engineered stone composite surfaces products

Future prospects

The Group remains cautiously optimistic about the prospects of the Hong Kong residential, commercial and industrial property markets. It is particularly well placed to benefit from rising demand for commercial and industrial space outside of the city's CBD, such as West Kowloon, which is currently experiencing rapid revitalisation.

The Group also stays positive on the long-term prospects of the U.S.A. and the U.K. property markets, although it will closely monitor potential risks associated with the U.S. Presidential election result, as well as the U.K.'s decision to leave the European Union and the subsequent devaluation of the British Pound.

The Group is also prudently optimistic about the effect that economic stimulus in the PRC will have on the domestic construction industry, which may support demand for its construction and interior decorative materials business.

The Group will continue to thoughtfully evaluate new investment opportunities and leverage its experienced management team and business partners to further diversify the Group's investment portfolio, 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 satisfied with the progress of our property projects, which is helping us build a track record as a property developer and asset manager. While our revenue and profit will continue to fluctuate between reporting periods as a result of our business model, we are confident about our ability to deliver medium to long-term returns to our shareholders."

¹ In September 2016, the Group successfully tendered for the lease of the business and certain assets of Quarella S.p.A. with a joint-venture partner as part of a public tender. The Group is yet to finalise a shareholders' agreement with its joint-venture partner ahead of the acquisition.

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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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