

[For immediate release]



## Rykadan Capital Announces Stellar 2018/19 Annual Results on Project Exits

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*Group reports 9.6 times increase in profit attributable to shareholders following timely monetisation of projects in HK*

### Financial Highlights

<i>HK\$'000</i>	For the year ended 31 March	
	2019	2018
Revenue	881,095	408,144
Gross profit	417,362	108,993
Profit for the year	322,641	34,676
Profit attributable to shareholders of the Company	329,957	31,120
Earnings per share from operations ( <i>HK cents</i> )	69.1	6.5
Final dividend per share ( <i>HK dollars</i> )	0.06	0.03
Net assets per share ( <i>HK dollars</i> )	3.08	2.51

**Hong Kong, June 12, 2019** – 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 2019.

### Financial performance

During the year ended 31 March 2019, the Group’s consolidated revenue increased considerably to HK\$881 million (2018: HK\$408 million) after exiting multiple property development projects. Gross profit and gross profit margin grew to HK\$417 million (2018: HK\$109 million) and rose to 47.4 % (2018: 26.7%) respectively.

Profit for the year was HK\$323 million (2018: HK\$35 million), while profit attributable to equity shareholders of the Company surged to HK\$330 million (2018: HK\$31 million).

The rise in profit was mostly attributed to revenue booked from the sale of the Maple Street Project in Hong Kong and the profit contributed from the sale of the Wing Hong Street Project by an associate, notwithstanding losses from joint ventures and unfavourable foreign exchange losses from the depreciation of Renminbi and British Pound.

Basic and diluted earnings per share for the year ended 31 March 2019 was HK69.1 cents (2018: HK 6.5 cents per share).

The Board of Directors declared a final dividend per share of HK 6 cents (2018: HK 3 cents).

Following the monetisation of the above redevelopment projects, the Group has a solid balance sheet for funding future projects. As at 31 March 2019, the Group's bank deposits and cash were HK\$436 million (2018: HK\$399 million), representing 21.5% (2018: 15.1%) of the Group's total assets.

Net assets per share as of 31 March 2019 was HK\$3.08 (31 March 2018: HK\$2.51 per share), corresponding to net assets of HK\$1,469 million (31 March 2018: HK\$1,197 million).

#### Ongoing investments

As at 31 March 2019, the Group held a series of investments on hand in the areas of property development, property investment and hospitality operations, as well as 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 / asset, investment and fund management:*

- *'Maple Street Project'* (property name: *THE KHORA*) – a newly completed industrial property in Tai Kok Tsui. The remaining 11 workshops, 2 floors and various car parks are being marketed to buyers;
- *'Wong Chuk Hang Project'* – a commercial and retail property with a total gross floor area of approximately 107,202 square feet currently under construction in the emerging CBD in the Southern District of Hong Kong Island;
- *'Jaffe Road Project'* – a commercial and retail property with a total gross floor area of approximately 48,997 square feet in the commercial and lifestyle district of Wanchai, currently under planning;
- Various luxury residential and retail properties in the cities of San Marino, Arcadia and Monterey Park Towne Centre in Los Angeles County, California, the U.S.A.; and

- *'Shoreditch Project'* – a commercial property with a total gross floor area of approximately 10,939 square feet located in London's premier technology start-up cluster;
- *Certain subsidiaries of the Group* – providers of property development management services and engaging in the Group's asset, investment and fund management business.

*Property investment:*

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

*Construction and interior decorative materials:*

- *Quarella Holdings Limited* – a world leader in the production of quartz and marble-based engineered stone composite surfaces products (operated as a joint venture); and
- *'Q-Stone Building Materials Limited'* – distributor of construction and interior decorative materials.

Future prospects

The Group remains cautiously optimistic about the strength of the commercial and industrial property markets in Hong Kong after earlier government policies aiming at revitalising industrial districts were resumed during the year under review. Recent commercial land tenders have also attracted strong bids from developers, a further indication of the long-term prospects of the Hong Kong property market. However, investor sentiment in Hong Kong may also be influenced by ongoing U.S.A.-PRC trade tensions, including the implementation of tit-for-tat trade tariffs between the two countries.

The Group is also cautiously optimistic about the outlook for its investment portfolio in the U.S.A.. While the potential for further interest rate rises by the Federal Reserve has become more muted, which should support the ongoing positive sentiment in the real estate sector, the ongoing U.S.A.-PRC trade tensions could have an unpredictable impact on the market.

While the Group finalises its exit from certain existing property investments and projects, it will seek to identify and cautiously invest in new high-potential and larger-scale projects, combining capital contributions from the asset, investment and fund management business together with its existing resources. This could include potential projects in the PRC's Greater Bay Area (the "GBA"), especially if increasing connectivity between the GBA and Hong Kong results in more investment and demand.

**Mr. William Chan, Chairman and CEO of Rykadan Capital Limited said,** “As our 10<sup>th</sup> anniversary, 2019 was another milestone year. We will strive to further grow our business and expand our asset management platform in order to increase our reputation and scale in the real estate private equity industry. Despite the recent global macroeconomic uncertainty and policy headwinds, we will continue to focus on our core strengths – identifying and developing promising redevelopment projects – while also diversifying our portfolio across region. This proactive but cautious strategy will continue to support our performance and create value for shareholder returns well into 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 high-potential real estate projects and assets in the Greater China region and overseas with a view to grow asset values and provide strong returns for shareholders. It also manages dedicated real estate funds and offers asset management services for institutional investors. For more information, please visit [www.rykadan.com](http://www.rykadan.com).

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