

[For immediate release]



Rykadan Capital Announces 2019/20 Interim Results

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Group continues to progress new real-estate development projects after monetising completed projects in the previous financial year

Financial Highlights

<i>HK\$'000</i>	For the six-month period ended 30 September	
	2019	2018
Revenue	41,820	51,673
Gross profit	21,803	22,643
Loss for the period	(30,807)	(50,306)
Loss attributable to equity shareholders of the Company	(26,817)	(43,849)
Loss per share from operations (<i>HK cents</i>)	(5.6)	(9.2)
Interim dividend per share (<i>HK dollars</i>)	-	-
	At 30 September 2019	At 31 March 2019
Net assets per share (<i>HK dollars</i>)	2.92	3.08

Hong Kong, November 28, 2019 – Rykadan Capital Limited (“Rykadan Capital” or the “Company”, together with its subsidiaries, the “Group”; SEHK: 2288) today announced its interim results for the six-month period ended 30 September 2019.

Financial performance

During the six-month period ended 30 September 2019, the Group recorded consolidated revenue of HK\$42 million (six-month period ended 30 September 2018: HK\$52 million). The decrease in revenue was attributable to shifting the majority of the revenue from the distribution of construction and interior decorative materials business to the joint ventures of the Group. Such effect was slightly offset by recognising income

from the sales of completed properties during the six-month period ended 30 September 2019.

Loss for the period was HK\$31 million (six-month period ended 30 September 2018: HK\$50 million). Loss attributable to equity shareholders of the Company was HK\$27 million (six-month period ended 30 September 2018: HK\$44 million).

The loss was mostly attributable to the decrease in revenue as aforementioned, net foreign exchange losses from Renminbi and British Pound during the period, as well as losses incurred by joint ventures.

Basic and diluted loss per share for the six-month period ended 30 September 2019 was HK5.6 cents (six-month period ended 30 September 2018: HK9.2 cents per share).

The Board does not recommend the payment of an interim dividend for the six-month period ended 30 September 2019.

As of 30 September 2019, the Group's bank deposits and cash was HK\$201 million (31 March 2019: HK\$436 million), representing 10.2% (31 March 2019: 21.5%) of the Group's total assets.

Net assets per share as of 30 September 2019 was HK\$2.92 (31 March 2019: HK\$3.08 per share), corresponding to net assets of HK\$1,396 million (31 March 2019: HK\$1,469 million).

Summary of investments

As at 30 September 2019, the Group held the following investments on hand. 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 5 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 construction;
- Various luxury residential and retail properties in the cities of San Marino, Arcadia and Monterey Park in Los Angeles County, California, the U.S.A.;
- *'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; and

- *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, Shanghai¹; 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

Despite the uncertain geopolitical and macroeconomic environment, including the recent social unrest in Hong Kong and the ongoing U.S.A.-PRC trade tensions, the Group remains positive towards the prospects of its existing real estate development portfolio.

The Group remains cautiously optimistic about the underlying strength of the commercial and industrial property markets in Hong Kong, which could benefit from ongoing trends including favourable government policies to revitalise local industrial districts, as well as the continuing movement of multinational firms out of the traditional CBD area into emerging CBD districts in Hong Kong where the Group is focused.

The Group is cautiously optimistic about the outlook for its investment portfolio in the U.S.A., although the short-to-medium term prospects may be impacted by the upcoming 2020 United States Presidential Election. In the meantime, the Group is closely monitoring the impact of the upcoming elections in the U.K., as well as the implications of Brexit, but continues to see opportunities that are worth considering in this market.

Taking advantage of the low interest rate environment and supportive government policies, the Group will continue to seek high-potential and larger-scale projects in

¹ In June 2019, a new framework agreement has been entered between the Group and the purchaser, an independent third party, by way of disposal of the entire equity interests in Bestlinkage NHI Co., Ltd, an indirect subsidiary of the Company as a result of the re-assessment and further negotiation on the deal structure for the disposal of the entire Business Park. Details of such proposed disposal were disclosed in the circular of the Company dated 23 August 2019.

Hong Kong, overseas markets and the PRC's Greater Bay Area, combining the capital contributions from its asset, investment and fund management business together with its other existing resources.

Mr. William Chan, Chairman and CEO of Rykadan Capital Limited said, "We will continue to strive for opportunities to expand our asset management business, as well as diversify our investment portfolios. While many uncertainties exist within the local and international business environment, we will continue to work hard to support our future performance and create value for our shareholders."

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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.

For further information, please contact:

Think Alliance Group

Henry Chow / Matthew Schultz

Tel: +852 3978 5323

Email: rykadan@think-alliance.com