

[For immediate release]



Rykadan Capital Announces 2019/20 Annual Results

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Group continuing to focus on its real estate redevelopment projects

Financial Highlights

<i>HK\$'000</i>	For the year ended 31 March	
	2020	2019
Revenue	110,677	881,095
Gross profit	43,219	417,362
(Loss)/profit for the year	(84,940)	322,641
(Loss)/profit attributable to shareholders of the Company	(77,319)	329,957
(Loss)/earnings per share from operations (<i>HK cents</i>)	(16.2)	69.1
Final dividend per share (<i>HK dollars</i>)	-	0.06

Hong Kong, June 17, 2020 – 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 2020.

Financial performance

During the year ended 31 March 2020, the Group’s consolidated revenue decreased considerably to HK\$111 million (2019: HK\$881 million). Decrease in revenue was due to the absence of one-off gains attributable to the exit and monetising of multiple property redevelopment projects in the previous year, as well as shifting the majority of the revenue from the distribution of construction and interior decorative materials business to the joint ventures of the Group. This effect was slightly offset by the recognition of income from the sale of properties completed during the year, as well as income generated from the Group’s asset, investment and fund management business.

The gross profit and gross profit margin were HK\$43 million (2019: HK\$417 million) and 39.0% (2019: 47.4%) respectively. Loss for the year was HK\$85 million (2019: profit of HK\$323 million), while the loss attributable to equity shareholders of the Company was HK\$77 million (2019: profit of HK\$330 million). The loss was mostly attributable to the decrease in revenue as aforementioned, the absence of substantial profits shared from associates, net foreign exchange losses from United States Dollar, Renminbi and British Pound, fair value losses on investment properties in Hong Kong, as well as the absorption of losses incurred by joint ventures.

Basic and diluted loss per share for the year ended 31 March 2020 was HK16.2 cents (2019: earnings per share of HK69.1 cents).

The board of directors does not recommend the payment of a final dividend for the year ended 31 March 2020.

Impact of COVID-19

The global COVID-19 pandemic is impacting certain parts of the Group's business. Most of the Group's ongoing construction projects in Hong Kong and the U.S.A. are experiencing delays due to local disruptions.

Quarella's manufacturing operations in Italy was temporarily suspended under the country's shutdown and recommenced operations in early May.

The Group's share of operational income from Dhensa has also been impacted by the tourism ban in Bhutan. As of the date of this report, Dhensa expects its operational income to remain impacted until the removal of the tourism ban.

Future prospects

The global COVID-19 pandemic has severely impacted the macroeconomic environment in Hong Kong, the U.S.A. and other markets in which the Group operates. However, the Group remains cautiously optimistic about the prospects for its current real estate development portfolio. In particular, the Group believes in the underlying strength of the commercial and industrial property markets in Hong Kong, which could be supported by ongoing trends including government policies to revitalise local industrial districts, as well as continued moving by multinational firms from traditional CBDs to emerging CBDs in Hong Kong where the Group focuses.

Outside of the short-to-medium term impact of COVID-19, the Group has a cautious but positive outlook for its investment portfolio in the U.S.A.

With low-interest rates and supportive government policies likely to remain in place in the foreseeable future, the Group will keep on seeking high-potential and larger-scale projects in 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 develop our property development portfolio in Hong Kong, the United

States and other markets in line with our investment strategy. These projects will be monetised after the world emerges from the COVID-19 crisis. We are of the opinion that the markets we are in will recover in a reasonable time, allowing us to continue performing for our shareholders in a timely manner.”

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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 is also dedicated to managing real estate funds and offers asset management services to institutional investors. For more information, please visit www.rykadan.com.

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