

[For immediate release]



Rykadan Capital Announces 2020/21 Annual Results

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The Group maintained a steady pace of project completions, while growing its fee-generating businesses

Financial Highlights

	For the year ended 31 March	
HK\$'000	2021	2020
Revenue	168,157	110,677
Gross profit	18,922	43,219
Profit/(loss) for the year	31,410	(84,940)
Final dividend per share (HK cents)	3.0	-

Hong Kong, June 24, 2021 – 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 2021.

Financial performance

During the year ended 31 March 2021, the Group’s consolidated revenue amounted to HK\$168 million (2020: HK\$111 million). The consolidated revenue was mainly attributed to the exit and monetisation of property development projects in the United Kingdom (the “U.K.”) and the United States of America (the “U.S.A.”), complemented by the income generated from the Group’s asset, investment and fund management business. Its gross profit and gross profit margin were HK\$19 million (2020: HK\$43 million) and 11.3% (2020: 39.0%) respectively.

The Group recorded a profit of HK\$31 million during the year (2020: loss of HK\$85 million), while the profit attributable to equity shareholders of the Company was HK\$5 million (2020: loss attributable to equity shareholders of the Company of HK\$77 million). The profit was mainly attributed to a one-off gain on disposal of interest in a subsidiary and share of profit of joint ventures as well as favourable net foreign exchange gains from Renminbi and British Pound, notwithstanding the provision for expected credit losses on trade and other receivables made during the year.

Basic and diluted earnings per share for the year ended 31 March 2021 was HK1.0 cents (2020: basic and diluted loss per share of HK16.2 cents).

The Board declared a final dividend per share of HK3 cents (2020: Nil).

Annual highlights and ongoing investments

During the year, the Group maintained a steady pace of project completions despite the COVID-19 pandemic, which enabled it to steadily develop its property development business in concurrence with its asset, investment and fund management business in line with its strategy of securing high-potential investments, growing asset values and exiting within a three-to-five-year horizon.

As of 31 March 2021, the Group's ongoing investments included various commercial, industrial and residential property developments in Hong Kong and the U.S.A., in addition to other high-potential businesses.

Highlights include:

- *Two promising commercial and retail real estate redevelopment projects in Wong Chuk Hang and Wanchai in Hong Kong* – each is jointly funded by the Group and a private equity fund that is managed by the Group's asset, investment and fund management business
- *Various high-potential residential and retail developments in the U.S.A.* – primarily located in Los Angeles
- *Quarella* – the Group's joint-venture and a world leader in the design and manufacturing of quartz and marble-based engineered stone composite surfaces products
- *Asset, investment and fund management business* – which continued to maintain its revenue base during the year by generating stable recurring fee income

During the year, the Group continued exploring new high-potential real estate redevelopment projects in Hong Kong, in line with its unwavering commitment to its headquarter city.

The Group also took various steps to enhance overall returns to its shareholders during the year. It completed a major share buy-back programme at the end of 2020 that delivered a considerable premium to the Company's shareholders. The Group also explored and invested in debt investment opportunities that are collateralised with real estate assets, with an intent to deliver higher value to shareholders with mitigated risks.

Future prospects

The Hong Kong property market is likely to continue demonstrating its resilience in the face of numerous and diverse challenges. Meanwhile, the U.S.A. property market is once again growing strongly despite the economy only recently emerging from recession. As a result, the Group remains cautiously optimistic about its short-term prospects and the outlook for its ongoing property redevelopment projects in Hong Kong and the U.S.A.

However, the Group could face longer-term headwinds, such as inflation and higher interest rates, resulting from massive government stimulus measures - particularly in the U.S.A. - and ongoing supply chain bottlenecks and shortages resulting from the COVID-19 pandemic. The Group will carefully consider these uncertainties and risks as it continues to seek new high-potential redevelopment projects in Hong Kong, Mainland China and overseas markets, as well as opportunities to expand its asset, investment and fund management business.

The Group will also continue to explore other ways to deliver additional returns to its shareholders, including debt investment opportunities.

Mr. William Chan, Chairman and CEO of Rykadan Capital Limited, said, “Despite the difficult challenges imposed by the pandemic, it has been an active year for Rykadan Capital. Not only were several of our overseas projects successfully monetised, our shareholders also benefited by receiving a considerable amount of cash via our major share buy-back programme. We did all of this while maintaining a solid balance sheet, which is enabling us to continue exploring and investing in promising redevelopment projects that will safeguard our future growth and our ability to deliver additional returns to 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 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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