

[For immediate release]



Rykadan Capital Announces 2021/22 Interim Results

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The Group moved forward with its property redevelopment projects, despite ongoing external headwinds

Financial Highlights

HK\$'000	For the six-month period ended 30 September	
	2021	2020
Revenue	73,833	151,838
Gross profit	13,072	15,972
Profit for the period	3,320	60,991
Interim dividend per share (<i>HK cents</i>)	-	-

Hong Kong, November 25, 2021 – 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 2021.

Financial performance

The Group’s consolidated revenue for the six-month period under review amounted to HK\$74 million (six-month period ended 30 September 2020: HK\$152 million). The fall in revenue was attributable to a high base after several property redevelopment projects were monetised in the previous financial period, in line with the Group’s strategy. The gross profit and gross profit margin were HK\$13 million (six-month period ended 30 September 2020: HK\$16 million) and 17.7% (six-month period ended 30 September 2020: 10.5%) respectively.

The Group recorded a profit of HK\$3 million for the six-month period under review (six-month period ended 30 September 2020: HK\$61 million). The profit attributable to equity shareholders of the Company was HK\$7 million (six-month period ended 30 September 2020: HK\$34 million). The decrease in profit was mainly attributable to the absorption of losses incurred by joint ventures during the period and the absence of a

one-off gain arising from disposal of interest in a subsidiary during the period ended 30 September 2020.

Basic and diluted earnings per share for the six-month period ended 30 September 2021 was HK1.8 cents (six-month period ended 30 September 2020: HK7.0 cents).

The Board does not recommend the payment of an interim dividend for the six-month period ended 30 September 2021.

Ongoing investments and interim period highlights

As of 30 September 2021, the Group's investments included commercial, industrial and residential property developments in Hong Kong, the United States of America (the "U.S.A.") and the United Kingdom (the "U.K."). It also invested in a leading international distributor of construction and interior decorative materials, as well as hospitality operations.

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, commercial and retail developments in the U.S.A. and the U.K.* – primarily located in Los Angeles and London
- *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 six-month period under review by generating stable recurring fee income

During the six-month period ended 30 September 2021, the Group continued to grapple with ongoing headwinds stemming from the COVID-19 pandemic while moving forward with its property redevelopment projects.

In the U.S.A., the Group exited one redevelopment project and acquired a new property. It also acquired a minority stake in a residential and commercial property redevelopment project in the U.K., located in London's Vauxhall district, an area that is currently undergoing rapid gentrification with a number of commercial businesses moving to the area.

In Hong Kong, the Group remained focused on its two promising real estate redevelopments – the Wong Chuk Hang Project located in a gentrifying arts and business district, and the Jaffe Road Project located in an established business district on Hong Kong Island; both of which achieved key construction milestones during the six months under review.

Future prospects

Despite high vaccination rates in many countries around the world, the Group may continue to experience headwinds from sporadic COVID-19 outbreaks in its main markets, continued supply chain disruptions and raw material price inflation. 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 remains optimistic about the prospects for its current property redevelopment portfolio. In Hong Kong, the extension of the government's industrial revitalisation policy and gradual economic recovery will continue to support the city's commercial and industrial property markets. Meanwhile, its portfolio in the U.S.A. and the U.K. will continue to be supported by the tailwinds from demand/supply imbalances, low-interest rates and government stimulus policies.

The Group will 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 ongoing headwinds from the COVID-19 pandemic, we pushed forward with developing and monetising our current redevelopment projects. Smart investments are not built on what people want today but rather on what they will want tomorrow. We remain forward-looking, investing in property redevelopment projects in the U.S.A, the U.K. and actively scouring for potential investments in Hong Kong. We will continue to manage our ongoing projects diligently and search for new opportunities to deliver optimal risk-adjusted 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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