

[For Immediate Release]



Rykadan Capital Announces 2021/22 Annual Results

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Financial Highlights

| <i>HK\$'000</i> | For the year ended 31 March | |
|--|-----------------------------|---------|
| | 2022 | 2021 |
| Revenue | 86,942 | 168,157 |
| Gross profit | 11,133 | 18,922 |
| (Loss) / profit for the year | (38,985) | 31,410 |
| Final dividend per share (<i>HK cents</i>) | N/A | 3.0 |

Hong Kong, 28 June 2022 – 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 2022.

Financial performance

During the year ended 31 March 2022, the Group’s consolidated revenue amounted to HK\$87 million (2021: HK\$168 million). The consolidated revenue was mainly attributable to the recurring income generated from the Group’s asset, investment and fund management business and the monetisation of property redevelopment project in the United States of America (the “U.S.A.”). Its gross profit and gross profit margin were HK\$11 million (2021: HK\$19 million) and 12.8% (2021: 11.3%) respectively.

The Group recorded a loss of HK\$39 million during the year (2021: profit of HK\$31 million), while the loss attributable to equity shareholders of the Company was HK\$35 million (2021: profit attributable to equity shareholders of the Company of HK\$5 million). The turn from profit to loss was mainly attributable to the absorption of losses incurred by joint ventures during the year and the absence of a one-off gain arising from the disposal of interest in a subsidiary during the year.

Basic and diluted loss per share for the year ended 31 March 2022 was HK9.3 cents (2021: basic and diluted earnings per share of HK1.0 cents).

The Board of Directors does not recommend the payment of a final dividend for the year ended 31 March 2022 (2021: HK3.0 cents per share).

Annual highlights and ongoing investments

The Group once again faced a very uncertain operating environment during the year, but this did not stop the Group from making satisfactory headways in each of its ongoing property development projects. It still managed to monetise its earlier completed assets despite industry headwinds. During the year, the Group redeployed capital into higher return projects such as high-potential luxury residential and mixed-use property projects overseas. It monetised one redevelopment project and acquired a new property in the U.S.A. It also acquired a minority stake in a residential and commercial property redevelopment project in the United Kingdom (the “U.K.”).

In Hong Kong, despite the ongoing pandemic, the construction of the Group’s two promising commercial redevelopment projects – the Wong Chuk Hang Project and the Jaffe Road Project remains on track and is scheduled for completion in the summer of 2022. The Group also entered into a provisional sale and purchase agreement for the remaining floors and various car parking spaces of the Maple Street Project. The full exit of this project is expected to be completed by the third quarter of 2022.

Highlights include:

- *Two promising commercial real estate redevelopment projects in Wong Chuk Hang and Wan Chai in Hong Kong – the former is jointly funded by the Group and a private equity fund, while the latter is jointly funded by the Group, international investors, and a private equity fund. The Group’s asset, investment and fund management business manages both private equity funds.*
- *Various high-potential luxury residential and mixed-used property projects overseas – primarily located in Los Angeles, the U.S.A. and in London, the U.K.*
- *Asset, investment and fund management business – which continued to maintain its revenue base during the year by generating stable recurring fee income.*
- *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.*

The Group continued to explore other high-potential real estate redevelopment projects around the world during the year under review and has also explored various fixed income investment opportunities to deliver higher value to shareholders.

Future prospects

The Group remains cautiously optimistic about the prospects of its current property redevelopment portfolio. In Hong Kong, the extension of revitalisation policies has continued to attract robust funding and investment activities into the commercial and industrial markets. At the same time, the extension of the cross-harbour rail link will further boost the attractiveness of the Group’s projects on Hong Kong Island. The

Group plans to monetise these projects appropriately upon further relaxation of pandemic restrictions.

The global economic recovery remains uneven and overshadowed by the U.S. interest rate hikes, inflation and geographical tensions. Nevertheless, the Group expects further border reopening will revitalise business activities and spur demand for selective hybrid commercial assets. Meanwhile, rising replacement costs and construction delays from logistical disruption will support asset prices.

Mr. William Chan, Chairman and CEO of Rykadan Capital Limited, said, “Our persistent efforts to monetise our property redevelopment projects during the year helped us navigate the highly challenging operating environment. While the progressive macro recovery will support asset prices, we are cautious of the rising U.S. interest rate and the inflationary environment. Furthermore, backed by our solid track record and prudent approach, we will continue capitalising on high-potential portfolios that diversify across key commercial hubs to generate additional returns 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 Hong Kong 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.

For further information, please contact:

Think Alliance Group

Henry Chow / Matthew Schultz

Tel: +852 3481 1161

Email: rykadan@think-alliance.com