RYKADAN CAPITAL LIMITED
宏基資本有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2288)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2012

FINANCIAL HIGHLIGHTS

	For the six-month period ended 30 September		
	2012	2011	Change
RESULTS			
Loss for the period from continuing operations (HK$'000)	**(22,368)**	(15,077)	48%
Profit for the period from discontinued operations (HK$'000)	**168,964**	66,439	154%
Profit for the period – continuing and discontinued operations (HK$'000)	**146,596**	51,362	185%
FINANCIAL INFORMATION PER SHARE			
Earnings – basic (HK cents) – continuing and discontinued operations	**31**	11	182%
	As at 30.9.2012	As at 31.3.2011	Change
Net assets (HK$) (Net assets/number of issued ordinary shares of the Company)	**2.49**	2.00	25%

BANK BALANCES AND CASH

As at 30 September 2012, the Group had bank balances and cash of approximately HK$521 million.

INTERIM DIVIDEND

The Board has declared the payment of an interim dividend of HK5 cents per share and a special dividend of HK35 cents per share.

UNAUDITED INTERIM RESULTS

The board of directors (the "Board") of Rykadan Capital Limited宏基資本有限公司 formerly known as "Sundart International Holdings Limited" "承達國際控股有限公司" (the "Company") hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (the "Group") for the six-month period ended 30 September 2012 together with the unaudited comparative figures for the corresponding period ended 30 September 2011 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	NOTES	**1.4.2012 to 30.9.2012** ***HK$'000*** **(Unaudited)**	1.4.2011 to 30.9.2011 *HK$'000* (Unaudited)
Continuing operations			
Revenue	*3*	**55,562**	36,463
Cost of sales		**(45,530)**	(28,661)
Gross profit		**10,032**	7,802
Other income, other gains and losses		**2,679**	675
Selling expenses		**(3,209)**	(1,751)
Administrative expenses		**(26,022)**	(17,981)
Other expenses		**(7,432)**	(420)
Finance costs		**(11)**	–
Share of profit (loss) of associates		**1,908**	(2,921)
Loss before taxation		**(22,055)**	(14,596)
Income tax expense	*4*	**(313)**	(481)
Loss for the period from continuing operations	*5*	**(22,368)**	(15,077)
Discontinued operations			
Profit for the period from discontinued operations	*6*	**168,964**	66,439
Profit for the period		**146,596**	51,362

	NOTE	**1.4.2012 to 30.9.2012** *HK$'000* **(Unaudited)**	1.4.2011 to 30.9.2011 *HK$'000* (Unaudited)
Other comprehensive (expense) income			
Exchange differences arising on translation of foreign operations		**(1,043)**	3,650
Release of translation reserve upon disposal of subsidiaries		**(11,753)**	(6)
Release of translation reserve upon deemed disposal of associate		**(895)**	–
Reclassification to profit or loss upon disposal of available-for-sale investment		**(3,151)**	–
Share of translation reserve of associates		**494**	197
Gain on revaluation of property upon transfer to investment property		**–**	1,720
Other comprehensive (expense) income for the period		**(16,348)**	5,561
Total comprehensive income for the period		**130,248**	56,923
Profit (loss) for the period attributable to:			
Owners of the Company		**147,314**	51,379
Non-controlling interests		**(718)**	(17)
		146,596	51,362
Total comprehensive income (expense) for the period attributable to:			
Owners of the Company		**131,024**	56,940
Non-controlling interests		**(776)**	(17)
		130,248	56,923
Earnings (loss) per share			
For continuing and discontinued operations			
Basic (HK cents)	*8*	**31**	11
For continuing operations			
Basic (HK cents)	*8*	**(4)**	(3)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	**30.9.2012** ***HK$'000*** **(Unaudited)**	31.3.2012 *HK$'000* (Audited)
Non-current assets			
Property, plant and equipment		**2,621**	27,787
Investment property	*9*	**–**	6,785
Goodwill		**14,412**	1,510
Other intangible assets		**10,735**	15,976
Interest in an associate		**71,116**	23,601
Available-for-sale investments	*10*	**222,516**	15,611
		321,400	91,270
Current assets			
Properties under development for sale	*11*	**850,992**	781,355
Inventories		**16,010**	35,901
Amount due from a related company		**–**	2,100
Trade and other receivables	*12*	**28,031**	210,299
Bills receivable	*12*	**–**	1,508
Amounts due from customers for contract work		**–**	379,385
Loan to an associate	*12*	**80,000**	–
Amounts due from associates	*12*	**4,638**	–
Amount due from an investee	*12*	**35,440**	–
Retentions receivable	*12*	**–**	129,002
Tax recoverable		**–**	3,465
Restricted bank balance		**27,612**	–
Bank balances and cash		**521,190**	370,771
		1,563,913	1,913,786
Current liabilities			
Trade and other payables	*13*	**56,721**	346,813
Bills payable	*13*	**1,132**	–
Amounts due to associates	*13*	**21,471**	–
Amounts due to customers for contract work		**–**	13,768
Amounts due to non-controlling shareholders	*15*	**23,588**	–
Tax payable		**986**	25,064
Bank borrowings	*14*	**6,955**	63,880
		110,853	449,525
Net current assets		**1,453,060**	1,464,261
Total assets less current liabilities		**1,774,460**	1,555,531
Capital and reserves			
Share capital		**4,774**	4,774
Reserves		**1,045,794**	945,804
Equity attributable to owners of the Company		**1,050,568**	950,578
Non-controlling interests		**138,250**	8,096
Total equity		**1,188,818**	958,674
Non-current liabilities			
Bank borrowings	*14*	**479,033**	497,623
Amounts due to non-controlling shareholders	*15*	**102,888**	98,212
Deferred taxation		**3,721**	1,022
		585,642	596,857
		1,774,460	1,555,531

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS:

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for an investment property and certain financial instruments that are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six-month period ended 30 September 2012 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2012. In addition, the Group has applied the following accounting policies for business combinations during the current interim period.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA.

Amendments to HKFRS 7	Financial instruments: Disclosures-transfers of financial assets
Amendments to HKAS 12	Deferred tax: Recovery of underlying assets

The application of the above amendments to HKFRSs in the current interim period has had no material impact on the amounts reported in these condensed consolidated financial statements and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

HKFRS 8 "Operating segments" requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision makers ("CODM") in order to allocate resources to the segment and to assess its performance. The Company's executive directors are the CODM.

In previous years, the Group reported its segment information based on five reportable and operating segments as follows:

(a) Fitting-out works in Hong Kong;
(b) Fitting-out works in Macau;
(c) Fitting-out works in the People's Republic of China (the "PRC");
(d) Manufacturing, sourcing and distribution of interior decorative materials; and
(e) Property development.

Those reportable and operating segments were based on the product type as well as the location of the market. During the six-month period ended 30 September 2012, an operation regarding the fitting-out works was discontinued.

After the disposal of the fitting-out works, CODM's focus has been changed to asset, investment and fund management business in Greater China, property development in Hong Kong and the PRC and continues its business in manufacturing, sourcing and distribution of interior decorative materials.

From July 2012 onward, information provided to CODM for performance assessment and resources allocation is based on product/service type only, regardless of the location of market. The basis is consistent with the Group's long term business strategy. The Group is now organised into the following three major operating segments, each of which represents an operating and reportable segment of the Group:

(a) Asset, investment and fund management-This segment derives its revenue from investing in and managing a portfolio of real estate in the Greater China region.

(b) Property development-This segment derives its revenue from repositioning and value enhancement of property with a focus on commercial projects in prime locations in both Hong Kong and the PRC.

(c) Manufacturing, sourcing and distribution of interior decorative materials-This segment derives its revenue from sourcing and distribution of stone composite surfaces products in the PRC and a license to use the relevant trademark in connection therewith.

Information regarding the above operating and reportable segments is reported below.

3. **REVENUE AND SEGMENT INFORMATION (CON'T)**

For the six-month period ended 30 September 2012 (unaudited)

	Continuing operations			Discontinued operations				
	Asset, investment and fund management *HK$'000*	Property development *HK$'000*	Manufacturing, sourcing and distribution of interior decorative materials *HK$'000*	Fitting-out works in Hong Kong *HK$'000*	Fitting-out works in Macau *HK$'000*	Fitting-out works in the PRC *HK$'000*	Elimination *HK$'000*	Consolidated *HK$'000*
Revenue								
External revenue	**3,433**	**–**	**52,129**	**252,543**	**7,181**	**65,838**	**–**	**381,124**
Inter-segment revenue	**–**	**–**	**46,609**	**–**	**–**	**–**	**(46,609)**	**–**
Total	**3,433**	**–**	**98,738**	**252,543**	**7,181**	**65,838**	**(46,609)**	**381,124**
Segment (loss) profit	**(589)**	**(271)**	**556**	**13,379**	**1,395**	**5,137**	**–**	**19,607**
Corporate expenses								**(17,702)**
Corporate income								**2,144**
Gain on disposal of subsidiaries								**132,428**
Exchange gain realised on disposal of subsidiaries								**11,753**
Finance costs								**(464)**
Share of profit of associates								**1,908**
Profit before taxation								**149,674**

For the six-month period ended 30 September 2011 (unaudited)

	Continuing operations		Discontinued operations				
	Property development *HK$'000*	Manufacturing, sourcing and distribution of interior decorative materials *HK$'000*	Fitting-out works in Hong Kong *HK$'000*	Fitting-out works in Macau *HK$'000*	Fitting-out works in the PRC *HK$'000*	Elimination *HK$'000*	Consolidated *HK$'000*
Revenue							
External revenue	–	36,463	448,789	352,702	32,257	–	870,211
Inter-segment revenue	–	25,260	–	–	–	(25,260)	–
Total	–	61,723	448,789	352,702	32,257	(25,260)	870,211
Segment (loss) profit	(53)	(3,903)	36,952	53,671	(2,514)	–	84,153
Corporate expenses							(15,889)
Corporate income							175
Loss on disposal of subsidiaries							(1,356)
Finance costs							(1,192)
Share of loss of an associate							(2,921)
Profit before taxation							62,970

Segment (loss) profit represents the (loss from) profit earned by each segment, excluding income and expenses of the corporate function, certain other income, certain administrative expenses, other service costs, certain other expenses, gain (loss) on disposal of subsidiaries, exchange gain realised on disposal of subsidiaries, finance costs and share of profit (loss) of associates. This is the measure reported to the Company's executive directors for the purpose of resource allocation and assessment of segment performance.

4. INCOME TAX EXPENSE

	1.4.2012 to 30.9.2012 HK$'000 (Unaudited)	1.4.2011 to 30.9.2011 HK$'000 (Unaudited)
Continuing operations		
Current tax		
Hong Kong Profits Tax	–	13
Macau Complementary Tax	**48**	459
PRC Enterprise Income Tax	**265**	9
Income tax expense relating to continuing operations	**313**	481

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both periods.

Macau Complementary Tax is calculated at progressive rates from 9% to 12% of the estimated assessable profits for both periods.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods.

5. LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS

	1.4.2012 to 30.9.2012 HK$'000 (Unaudited)	1.4.2011 to 30.9.2011 HK$'000 (Unaudited)
Loss for the period from continuing operations has been arrived at after charging (crediting) the following items:		
Allowance for inventories (included in cost of sales)	–	418
Depreciation of property, plant and equipment	**409**	3,264
Amortisation of other intangible assets	**959**	844
Total depreciation and amortisation	**1,368**	4,108
Interest income	**(723)**	(152)
(Gain) loss on disposal of property, plant and equipment	**(74)**	9
Deemed loss on disposal of an associate (included in other expenses)	**7,432**	–
Net foreign exchange loss (gain)	**610**	(478)

6. DISCONTINUED OPERATIONS

On 16 May 2012, the Group entered into a sale agreement to partially dispose of its 85% equity interest in Sundart Holdings Limited ("Sundart Holdings") that carried out all of the Group's fitting-out works in Hong Kong, Macau and the PRC (see note 16). The disposal was completed on 26 June 2012, on which date the Group lost control in Sundart Holdings. The Group's fitting-out works operations are treated as discontinued operations.

The results of and profit from the discontinued operations for the current and preceding interim periods are analysed as follows:

	For the period from 1 April 2012 to 26 June 2012	For the six-month period ended 30 September 2011
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue	**325,562**	833,748
Cost of sales	**(288,021)**	(723,621)
Other income, other gains and losses	**3,677**	(1,731)
Loss on disposal of subsidiaries	**–**	(1,356)
Selling expenses	**(382)**	(1,452)
Administrative expenses	**(12,528)**	(24,932)
Other service costs	**–**	(1,867)
Other expenses	**(307)**	(31)
Finance costs	**(453)**	(1,192)
Profit before taxation	**27,548**	77,566
Income tax expense	**(2,765)**	(11,127)
Profit for the period	**24,783**	66,439
Gain on disposal of discontinued operations *(note 16)*	**132,428**	–
Exchange gain realised on disposal of subsidiaries	**11,753**	–
	168,964	66,439

6. DISCONTINUED OPERATIONS (CON'T)

Profit for the period from discontinued operations included the following:

	For the period from 1 April 2012 to 26 June 2012	For the six-month period ended 30 September 2011
	HK$'000	*HK$'000*
Depreciation of property, plant and equipment	**554**	1,048
Amortisation of other intangible assets	**900**	1,800
Total depreciation and amortisation	**1,454**	2,848
Rental income from investment property	**(100)**	(160)
Interest income	**(125)**	(200)
Loss on disposal of property, plant and equipment	**20**	331
Net foreign exchange loss	**104**	1,797

7. DIVIDENDS

Six-month period ended 30 September 2012

Pursuant to the annual general meeting of the Company held on 31 July 2012, a final dividend of HK6.5 cents per share amounting to approximately HK$31,034,000 in total for the year ended 31 March 2012, was approved by the shareholders of the Company and distributed to the shareholders on 15 August 2012.

An interim dividend of HK5 cents per share and a special dividend of HK 35 cents per share have been declared in the directors' meeting on 28 November 2012.

Six-month period ended 30 September 2011

Pursuant to the annual general meeting on 19 August 2011, a final dividend of HK8.5 cents per share amounting to approximately HK$40,800,000 in total, was approved by the shareholders of the Company and distributed to the shareholders on 11 October 2011.

8. EARNINGS PER SHARE

For continuing and discontinued operations

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

	1.4.2012 to 30.9.2012	1.4.2011 to 30.9.2011
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Earnings		
Earnings for the purpose of basic earnings per share (Profit for the period attributable to owners of the Company)	**147,314**	51,379
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**477,447,000**	479,945,990

From discontinued operations

Basic earnings per share from discontinued operations is HK 35 cents per share (2011: HK 14 cents per share), based on the profit for the period from discontinued operations of HK$168,964,000 (2011: HK$66,439,000) and the denominators detailed above for basic earnings per share.

There was no diluted earnings per share information presented as there were no potential shares outstanding for both periods.

9. INVESTMENT PROPERTY

During the six-month period ended 30 September 2011, the Group transferred an owner-occupied property to investment property with a revaluation gain of HK$1,720,000 recognised in property revaluation reserve. The fair value at date of transfer and 31 March 2012 were arrived by an independent qualified professional valuer not connected with the Group, Savills Valuation and Professional Services Limited. The valuation was arrived at by reference to market evidence of transaction prices for similar properties in the same location and condition.

During the current interim period, the investment property has been derecognised upon disposal of subsidiaries as set out in note 16.

10. AVAILABLE-FOR-SALE INVESTMENTS

	30.9.2012	31.3.2012
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Investment in an investee *(note 19)*	**115,801**	–
Unlisted fund equity investment in the PRC	**106,715**	15,611
	222,516	15,611

The above unlisted fund equity investment mainly represented investment in funds in the PRC. The funds principally invest in real estate market in the PRC.

11. PROPERTIES UNDER DEVELOPMENT FOR SALE

	30.9.2012	31.3.2012
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
At cost	**850,992**	781,355

As at 30 September 2012, the properties under development for sale were expected to be realised over twelve months since the end of the reporting period, were situated in Hong Kong under medium term lease and were pledged to secure bank borrowings granted to the Group.

12. OTHER CURRENT ASSETS

Trade and other receivables

The Group allows an average credit period of 30 days to its trade customers.

	30.9.2012	31.3.2012
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade receivables analysed by age based on invoice date at the end of the reporting period:		
1-30 days	**11,736**	109,910
31-60 days	**181**	26,035
61-90 days	**47**	1,704
Over 90 days	**–**	5,553
Total trade receivables	**11,964**	143,202
Other receivables, prepayments and deposits	**16,067**	67,097
	28,031	210,299

Other receivables are unsecured, interest free and recoverable within one year.

12. OTHER CURRENT ASSETS (CON'T)

Retentions receivable

	30.9.2012	31.3.2012
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Retentions receivable which:		
– will be recovered within twelve months	–	77,782
– will be recovered more than twelve months after the end of the reporting period	–	51,220
	–	129,002

Loan to an associate

Loan to an associate is unsecured, interest bearing at 3% per annum and is repayable in June 2013.

Amounts due from associates and an investee

Amounts due from associates and an investee are unsecured, interest free and are repayable on demand.

Bills receivable

All bills receivable were aged 90 days.

13. OTHER CURRENT LIABILITIES

Trade and other payables

The average credit period taken for trade purchase is 30 days.

	30.9.2012	31.3.2012
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade payables analysed by age based on invoice date at the end of the reporting period:		
1-30 days	**1,387**	142,537
31-60 days	**396**	12,761
61-90 days	**115**	1,352
Over 90 days	**771**	9,519
Total trade payables	**2,669**	166,169
Retentions payable	**1,010**	73,400
Other payables	**13,902**	25,415
Other payable to a non-controlling shareholder (note 19)	**39,140**	–
Deposits received from customers	**–**	73,890
Other non-financial liabilities	**–**	7,939
Total trade and other payables	**56,721**	346,813

As at 31 March 2012, retentions payable of approximately HK$27,623,000 was expected to be paid after one year.

Bills payable

All bills payable are aged within 30 days.

Amounts due to associates

Amounts due to associates are unsecured, interest free and are repayable on demand.

14. BANK BORROWINGS

During the period, the Group obtained new bank borrowings amounting to HK$71,817,000 (1.4.2011 to 30.9.2011: HK$549,278,000). As at 30 September 2012, HK$479,033,000 of the bank borrowings carry interest at 2.25% to 2.35% (31.3.2012: 1.2% to 2.35%) per annum over Hong Kong Interbank Offered Rate are used to finance the property development business and the borrowings were secured by the properties under development for sale with carrying amount of HK$850,992,000 as at 30 September 2012 (31.3.2012: HK$781,355,000) and repayable in January 2014. Remaining bank borrowings are trust receipt loans carry interest at 2% per annum over Singapore Interbank Offered Rate and are repayable within 12 months.

15. AMOUNTS DUE TO NON-CONTROLLING SHAREHOLDERS

Amounts of approximately HK$102,888,000 (31.3.2012: HK$98,212,000) are unsecured, interest free and are repayable after settlement of a bank borrowing granted to Vital Success Development Limited, a wholly owned subsidiary of Wit Legend Investments Limited ("Wit Legend") (see note 17 for details of partial disposal of 35% interests in Wit Legend). The bank borrowing is repayable in January 2014.

According to the shareholders' agreement entered between the Group and the two non-controlling shareholders of Wit Legend on 24 June 2011, the board of directors of Wit Legend may request all shareholders of Wit Legend to provide interest free loans in accordance with their respective shareholding ratios. During the current interim period, the non-controlling shareholders advanced further interest free loans of HK$3,150,000 to Wit Legend. Fair value adjustments with effective interest rate of 4.1% (1.4.2011 to 30.9.2011: 3.2%) per annum of HK$172,000 (1.4.2011 to 30.09.2011: HK$7,923,000) on these additional interest free loans are made at initial recognition and are recognised in equity as deemed capital contribution from non-controlling shareholders.

During the current interim period, imputed interest of HK$1,697,000 (1.4.2011 to 30.9.2011: HK$605,000) is capitalised in properties under development for sale.

The remaining amounts due to non-controlling shareholders of HK$23,588,000 are unsecured, interest free and are repayable on demand.

16. DISPOSAL OF SUBSIDIARIES

On 16 May 2012, the Group entered into a sales and purchase agreement with an independent third party (the "Purchaser"), to dispose of 85% equity interest in Sundart Holdings, the then wholly-owned subsidiary of the Company, for a cash consideration of HK$493,000,000 (the "Disposal"). Upon the completion of Disposal on 26 June 2012, Sundart Holdings and its subsidiaries ceased to be subsidiaries of the Group. However, the Group is able to exercise significant influence over the Sundart Holdings because it has the power to appoint one out of five directors of Sundart Holdings pursuant to the shareholders' agreement that was entered among the Company, the Purchaser and Sundart Holdings upon completion of the Disposal. Accordingly, the remaining 15% equity interest in Sundart Holdings had been accounted for in the condensed consolidated financial statements under equity method of accounting.

The assets and liabilities of Sundart Holdings at the date of disposal were as follows:

	HK$'000
Property, plant and equipment	26,852
Investment property	6,747
Goodwill	1,510
Other intangible assets	14,654
Inventories	54,740
Trade and other receivables	207,683
Bills receivable	2,708
Amounts due from customers for contract work	397,684
Amount due from a non-controlling shareholder	12,509
Retentions receivable	142,184
Tax recoverable	3,260
Bank balances and cash	141,955
Trade and other payables	(327,564)
Amount due to a non-controlling shareholder	(15,939)
Amounts due to customers for contract work	(30,071)
Loan from a non-controlling shareholder	(80,000)
Tax payable	(24,549)
Bank borrowings	(105,148)
Deferred taxation	(1,018)
Net assets disposed of	428,197
Less: Interest in an associate at fair value on initial recognition	(67,625)
Gain on disposal	132,428
Total consideration satisfied by cash	493,000

Net cash inflow arising on disposal:

Cash consideration received	493,000
Bank balances and cash disposed of	(141,955)
	351,045

17. DISPOSAL OF PARTIAL INTEREST IN A SUBSIDIARY

On 14 June 2011, the Group entered into an agreement with two independent third parties, pursuant to which the Group has conditionally agreed to sell, and the two purchasers have conditionally agreed to purchase 35% of the issued share capital of Wit Legend, and 35% of the shareholder's loan of HK$50,311,000, for an aggregate cash consideration of HK$87.85 million. The disposal was completed on 24 June 2011.

The disposal, without losing the Group's control over Wit Legend, was accounted for as equity transaction. The difference between the fair value of cash consideration received of HK$37,539,000 and 35% of net liabilities of HK$7,000, amounting to HK$37,546,000, was recognised directly in equity as other reserves and attributable to owners of the Company.

18. ACQUISITION OF SUBSIDIARIES

On 11 July 2012, Talent Step Investments Limited ("Talent Step"), an indirectly wholly-owned subsidiary of the Company, entered into: (i) a restructuring agreement with Good Grace Investments Limited, Borrison (B.V.I.) Limited, independent third parties to the Group, and Kailong REI Holdings Limited ("KLR Holdings"), the then associate of the Company, in respect of the restructuring of KLR Holdings and Kailong REI Project Investment Consulting (Hong Kong) Co., Limited ("KLR Hong Kong") (the "Restructuring"); (ii) a subscription agreement with other shareholders of KLR Hong Kong in relation to the rights issue of KLR Hong Kong (the "Rights Issue"); and (iii) the shareholders' deed (the "Shareholders' Deed") with the other shareholders of KLR Hong Kong and KLR Hong Kong in respect of the matters relating to, among others, the management of KLR Hong Kong upon.

Following the completion of the Restructuring and the Rights Issue, the Group's effective equity interest in KLR Hong Kong increased from approximately 15.86% to 41.07%. Pursuant to the Shareholders' Deed, the Group is able to exercise control over the board of directors of KLR Hong Kong, which is responsible for making major decisions relating to the financing and operations of KLR Hong Kong. Accordingly, KLR Hong Kong had become an indirectly non-wholly owned subsidiary of the Company at the date of completion of the completion of the Restructuring and the Rights Issue on 30 July 2012.

This acquisition has been accounted for using the acquisition method of accounting. The total cash consideration for this acquisition was US$ 8,900,000 (equivalent to approximately HK$69,149,000). The primary reason for the acquisition of KLR Hong Kong is to expand a new business segment of the Group. The amount of goodwill arising as a result of the acquisition was approximately HK$14,412,000, determined on a provisional basis.

The initial accounting for the above acquisition has been determined provisionally, awaiting the completion of professional valuation in relation to the assets and liabilities of KLR Hong Kong at the acquisition.

18. ACQUISITION OF SUBSIDIARIES (CON'T)

Assets and liabilities recognised at the date of acquisition (determined on a provisional basis)

	HK$'000
Property, plant and equipment	1,484
Available-for-sale investments	106,921
Other intangible assets	11,272
Trade and other receivables	18,077
Bank balances and cash	46,810
Trade and other payables	(10,642)
Tax payable	(205)
Deferred taxation	(3,721)
Net assets at the date of acquisition	169,996
Less: Non-controlling interests	(100,179)
Less: Fair value of interest in an associate deemed disposed of (determined on a provisional basis)	(15,080)
Goodwill	14,412
	69,149
Satisfied by cash consideration	69,149

The fair value as well as the gross contractual amounts of the trade and other receivables acquired amounted to HK$18,077,000 at the date of acquisition. Based on the best estimate at acquisition date, none of the contractual cash flows from these trade and receivables are not expected to be collected.

Non-controlling interests (determined on a provisional basis)

The non-controlling interests (58.93%) in KLR Hong Kong recognised at the acquisition date was measured by reference to the proportionate share of recognised amounts of net assets of KLR Hong Kong and amounted to HK$100,179,000, determined on a provisional basis.

Goodwill arising on acquisition (determined on a provisional basis)

	HK$'000
Cash consideration	69,149
Fair value of interest in an associate deemed disposed of	15,080
Less: recognised amount of identifiable net assets acquired	(69,817)
Goodwill arising on acquisition	14,412

None of the goodwill arising on this acquisition was expected to be deductible for tax purposes.

18. ACQUISITION OF SUBSIDIARIES (CON'T)

Net cash outflow arising on acquisition

	HK$'000
Consideration paid in cash	69,149
Less: cash and cash equivalents acquired	(46,810)
	22,339

19. ACQUISITION OF ASSETS AND LIABILITIES THROUGH ACQUISITION OF A SUBSIDIARY

On 1 August 2012, Best Key Holding Limited ("Best Key"), a wholly owned subsidiary of the Company, China Real Estates Investment Holdings Limited, an independent third party to the Group, KLR Hong Kong and Kings Haul Limited ("Kings Haul"), non-wholly owned subsidiaries of the Company, had entered into the Kings Haul shareholders agreement setting out, amongst others, the manner of management of and shareholders' financial commitments to Kings Haul. On the same date, Kings Haul and Fine Elite Holdings Limited ("Fine Elite"), an independent third party, had entered into an share purchase agreement ("SP Agreement") in relation to 70% equity interest in Power City Investment Limited ("Power City") at a cash consideration of approximately RMB 58,097,000 (equivalent to HK$ 71,334,000) (the "Acquisition").

Power City holds 76% equity interest in Bestlinkage NHI Co., Ltd. ("Bestlinkage") and the remaining 24% equity interest in Bestlinkage is owned by an independent third party ("Local Partner"). It is a condition of the SP Agreement that Power City will undertake the purchase by Power City from the Local Partner of its 24% equity interest in Bestlinkage pursuant to the terms and subject to the conditions of the Buy-Out agreement (the "Buy-Out"). However, the completion of the Buy-Out ("Buy-Out Completion") is not a condition of the completion of the Acquisition ("Acquisition Completion"). The Acquisition was completed on 14 August 2012.

Pursuant to the Power City shareholders agreement entered into among Kings Haul, Fine Elite and Power City on 1 August 2012, upon the Acquisition Completion and prior to the Buy-Out completion, the board of Power City shall consist of three directors, which comprise of one director appointed by Fine Elite and two directors appointed by Kings Haul. However, the board of Bestlinkage shall have seven directors and Power City has the right to appoint five directors out of which Kings Haul and Fine Elite is entitled to nominate one director and four directors respectively for Power City. The directors of the Company after considering, amongst others, the board representation of the Group, are of the view that the Group is able to obtain control over Power City but unable to obtain control over Besklinkage upon the Acquisition Completion but prior to the Buy-Out Completion. As at 30 September 2012, the Buy-Out has not completed, accordingly the Group recognised the 76% equity investment in Bestlinkage as available-for-sale equity investment – investment in an investee.

In the opinion of the directors of the Company, the Acquisition did not constitute a business combination in accordance with HKFRS 3 "Business Combination" and as such the Acquisition has been accounted for as an acquisition of assets and liabilities through acquisition of a subsidiary.

	HK$'000
Consideration paid in cash	32,183
Consideration payable to Fine Elite	39,151
Total consideration	71,334

19. ACQUISITION OF ASSETS AND LIABILITIES THROUGH ACQUISITION OF A SUBSIDIARY (CON'T)

Assets acquired and liabilities recognised at date of Acquisition Completion are as follows:

	HK$'000
Available-for-sale investment-investment in an investee	115,801
Bank balances and cash	11
Other payables	(13,906)
Net assets acquired	101,906
Less: Non-controlling interests	(30,572)
	71,334

	HK$'000
Net cash outflow on the Acquisition	
Cash consideration paid	32,183
Less: Cash and cash equivalents acquired	(11)
	32,172

Non-controlling interests

The non-controlling interest (30%) in Power City recognised at the Acquisition Completion date was measured by reference to the proportionate share of recognised amounts of net assets of Power City and amounted to HK$30,572,000.

BUSINESS AND FINANCIAL REVIEW

Overview

During the six-month period ended 30 September 2012, the Group disposed of a majority stake in its fitting-out business and transformed itself into an investment holding company. The transaction was completed on 26 June 2012. Throughout the period, the Group had continuing operations in the areas of property development, asset, investment and fund management and manufacturing, sourcing and distribution of interior decorative materials.

Overall Performance

The Group recorded consolidated revenue from segments under continuing operation of HK$55.56 million during the six months under review, with a gross profit of HK$10.03 million and gross profit margin of 18.05%.

Profits from the Group's discontinued operations were HK$168.96 million, including the provision of fitting-out works in Hong Kong, Macau and the PRC of HK$24.78 million and a gain on disposal of fitting-out works operation of HK$ 132 million during the period.

Net profit for the period was HK$146.60 million. Basic earnings per share for continuing and discontinued operations were HK31 cents. The Board declared an interim dividend per share of HK5 cents and a special dividend per share of HK35 cents.

As at 30 September 2012, the Group's total assets was valued at HK$1,885.31 million, of which current assets were HK$1,563.91 million, approximately 14.11 times current liabilities. Equity attributable to the owners of the Company was HK$1,050.57 million.

Material Acquisitions and Disposals

In May 2012, the Group sold 85% of its fitting-out business to Beijing Jangho Curtain Wall Ltd. ("Beijing Jangho") for a total consideration of HK$493 million.

Utilising the proceeds from the above disposal, along with unused proceeds from its IPO in 2009, the Group made a number of key investments in the six-month period ended 30 September 2012.

- In July 2012, the Group increased its interest in Kailong REI Project Investment Consulting (Hong Kong) Co., Limited to 41.07% for a total consideration of HK$69.15 million, making it a subsidiary of the Group. The Group previously held an approximate 15.86% interest in the business (see "Kailong Rei" in Summary of Investments).

- In August 2012, the Group entered into a joint-venture to take a 70% stake in Power City Investments Limited, which owns commercial buildings in a business park in Shanghai (equal to an effective 46.6% stake in the property), for a total consideration of HK$71.33 million (see "Kailong Nanhui Business Park" in Summary of Investments).

- In September 2012, the Group took a 51% stake in Wing Lok Innovative Education Organization Corporation (see "Wing Lok Innovative Education" in Summary of Investments).

Investment Portfolio

As of 30 September 2012, the Group's cash in hand was HK$521.19 million, representing 27.64% of the Group's total assets.

The following table shows the Group's investments as at 30 September 2012.

Real estate investments

Investment	Location	Type	Group interests	Status as at 30/9/2012	Total gross floor area	Attributable gross floor area
Rykadan Capital Tower	Kwun Tong, Hong Kong	Commercial property	65%	Under construction	252,820 square feet	164,333 square feet
Kailong Nanhui Business Park	Shanghai, the PRC	Commercial property	46.6%	Under refurbishment	52,304 square metre	24,374 square metre

Venture capital investments

Investment	Business/type	Group interests
Wing Lok Innovative Education	Educational software developer, educational publication content provider and pre-school learning centres service provider	51%

Other investments

Investment	Business/type	Group interests
Kailong Rei	Asset, investment and fund management	41.07%
Q-Stone Buildings Materials	Distribution of stone composite surfaces products	100%
Sundart Holdings	Fitting-out contractor	15%

Summary of investments

Rykadan Capital Tower

Located in the heart of Kwun Tong, Hong Kong's emerging second CBD, Rykadan Capital Tower is the Group's first real estate development project. It is also the Group's first investment entered into under a co-investment model, with Secured Capital co-investing in the project in 2011.

Rykadan Capital Tower is a 25-storey with a gross floor area of 252,820 square feet, overlooking Victoria Harbour. The building is highly accessible, located near the MTR station. Construction is due to be completed by December 2013, in line with the nearby Kai Tak Cruise Terminal.

The Group has completely pre-sold all available floors less than a week after the sale was launched in November 2012.

Kailong Nanhui Business Park

Kailong Nanhui Business Park (formerly known as "Bestlinkage Business Park") is a 52,304 square metre high-end business park located in Shanghai and is the Group's first showcase property project in the PRC. The site consists of five high-quality buildings conveniently located near the Shanghai Pudong International Airport and Shanghai Harbour City. It offers future tenants preferential tax and subsidy policies due to its location in the Nanhui Industrial Zone of Shanghai.

Through its subsidiaries, the Group intends to upgrade the site's existing buildings into a high-end business park through renovation, fitting-out and furnishing works to attract more businesses to set up base there. Upon completion, the site is expected to generate stable rental returns for the Group, with a view to off-load the buildings at a later stage. As of 30 September 2012, around 2% of the park had been leased.

Wing Lok Innovative Education

Wing Lok Innovative Education is the Group's first venture capital investment. It is an educational software developer, educational publication content provider and a pre-school learning centres service provider.

With the PRC's expanding middle class fueling the growth of the PRC's education services sector, the Group believes Yong Le Education offers significant growth potential in the middle-to-long term.

Kailong Rei

Kailong Rei is a leading player in the PRC's real estate investment, asset management and fund management market. It provides comprehensive asset management services for foreign and local property investors and its own RMB real estate funds.

Kailong Rei held investments in, and provided asset management services for six real estate projects in Beijing, Shanghai, Chengdu and Hong Kong as at 30 September 2012. It also manages two RMB real estate funds in Tianjin and Suzhou with total capital of RMB739 million and has plans to invest in around RMB1.2 billion worth of properties.

Q-stone Building Materials Limited

Q-stone is a wholly owned subsidiary of the Group and the exclusive distributor of Quarella, a world leader in the production of quartz and marble-based stone composite surfaces products, in the PRC market. Established over 40 years ago with factories and R&D centres in Italy and Spain, its products are popularly used for benchtops, bathroom surfaces and floor tiles which has been used by a number of prominent commercial buildings commercial buildings in the PRC and Hong Kong.

Sundart Holdings

A leading fitting-out contractor in Hong Kong and Macau, Sundart Holdings has continued to win new projects throughout the period, while further expanding in the PRC market by leveraging on the well-established connections of its new majority owner, Beijing Jangho.

Outlook

Despite the current slowdown of the PRC and Hong Kong economies, the Group remains cautiously optimistic about the medium-to-long-term prospects for its investments in the real estate development, asset management, materials distribution, fitting-out and education sectors.

The Group will continue to leverage on the strong experience of its management and its business partners in the second half of its fiscal year to further grow and improve these investments so that they deliver sustainable yields and reasonable capital gains for shareholders.

CORPORATE FINANCE AND RISK MANAGEMENT

Liquidity and Financial Resources

The management and control of the Group's financial, capital management and external financing functions are centralised at the headquarters in Hong Kong. The Group has been adhering to the principle of prudent financial management in order to minimise financial and operational risks. The Group mainly relies upon internally generated funds and bank borrowings to finance its operations and expansion.

As at 30 September 2012, the Group's total debt (representing total interest-bearing borrowings) to total asset ratio was 25.78% (31 March 2012: 28.00%). The gearing ratio (net debt to equity attributable to owners of the Company) was nil (31 March 2012: 20.06%) as the Group has net cash (bank balances and cash less total debt) of HK$35 million as at 30 September 2012 (31 March 2012: net debt HK$191 million).

The bank borrowings of the Group were mainly contributed by the bank borrowings for financing the property development of our Rykadan Capital Tower. The borrowings of HK$479 million were secured by the properties under development for sale and will be repayable in the earlier of January 2014 or upon sales of our Rykadan Capital Tower. Further costs for developing Rykadan Capital Tower will be financed by our unutilized bank facilities ready for the project.

The liquidity of the Group's remains strong and healthy as the current ratio (current assets/current liabilities) of the Group as at period end is 14.1 (31 March 2012: 4.3). The Group also has sufficient committed and unutilised loan and working capital facility and guarantee facilities to meet the needs of the Group's business development. The Group will cautiously seek for development opportunities with a view to balancing the risk and opportunity in maximizing shareholders' value.

Employees and Remuneration Policies

As at 30 September 2012, the Group had approximately 64 (1H 2011/2012: 965) full-time employees. The total remuneration of the employees (including the directors' remuneration) were approximately HK$47 million (HK$39 million was incurred by the disposed companies) for the Period (1H 2011/2012: HK$93 million). The decrease in total remuneration of the employees was mainly due to the decrease in number of the employees. The Group offers attractive remuneration policy. The Group also provides external training programmes which are complementary to certain job functions.

CORPORATE GOVERNANCE AND OTHER INFORMATION

INTERIM DIVIDEND AND SPECIAL DIVIDEND

On 28 November 2012, the Board declared an interim dividend of HK5 cents per share and a special dividend of HK35 cents per share to be payable to the shareholders of the Company whose names appear in the register of members of the Company on 21 December 2012. The interim dividend and special dividend will be payable on 4 January 2013.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 24 December 2012 to 27 December 2012, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend and special dividend, all share transfer documents accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong, no later than 4.30pm on 21 December 2012.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the period.

CORPORATE GOVERNANCE

During the period, the Company had complied with the code provisions and certain recommended best practices set out in the Code on Corporate Governance Practices (effective from 1 April 2012) contained in Appendix 14 to the Listing Rules, except the following deviation:

Mr. Chan William ("Mr. Chan") acts as both the Chairman and Chief Executive Officer of the Company since 1 July 2012. Pursuant to code provision A.2.1 of the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange, the roles of Chairman and Chief Executive Officer of a listed company should be separate and should not be performed by the same individual. However, in view of the present composition of the Board, the in-depth knowledge of Mr. Chan of the operations of the Group and of the property development and real estate/asset management business in Hong Kong and the PRC, his extensive business network and the scope of operations of the Group, the Board believes it is in the best interests of the Company for Mr. Chan to assume the roles of Chairman and Chief Executive Officer as this time and that such arrangement be subject to review by the Board from time to time.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code for securities transactions by directors and employees (the "Securities Code") with standards no less exacting than that of the Model Code set out in Appendix 10 of the Listing Rules. Having made specific enquiries, all directors and relevant employees of the Group confirmed that they have complied with the Securities Code and the Model Code during the interim reporting period.

AUDIT COMMITTEE REVIEW

The Audit Committee, which comprises all of the three independent non-executive directors, namely Mr. Ho Kwok Wah, George (Chairman of the Audit Committee), Mr. To King Yan, Adam and Mr. Wong Hoi Ki, has reviewed with the management for the Group's interim results for the period.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT

This interim results announcement is available for reviewing on the website of The Stock Exchange of Hong Kong Limited (http://www.hkexnews.hk) and the Company (http://www.rykadan.com) and the interim report for the six-month period ended 30 September 2012 of the Company containing also the information required by the Listing Rules will be dispatched to the Company's shareholders and published on the above websites in due course.

By Order of the Board
Rykadan Capital Limited
宏基資本有限公司
Chan William
Chairman and Chief Executive Officer

Hong Kong, 28 November 2012

As at the date of this announcement, the Board comprises Mr. Chan William (Chairman and Chief Executive Officer), M. Ng Tak Kwan, Mr. Yip Chun Kwok (Chief Financial Officer) as executive directors and Mr. To King Yan, Adam, Mr. Wong Hoi Ki and Mr. Ho Kwok Wah, George as independent non-executive directors