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 2015

FINANCIAL HIGHLIGHTS

	For the six-month period/year ended	
	30 September 2015	30 September 2014
RESULTS:		
Loss for the period from continuing operations ($'000)	**(24,222)**	(9,554)
Profit for the period from discontinued operations ($'000)	**–**	9,848
(Loss)/profit for the period from continuing and discontinued operations ($'000)	**(24,222)**	294
FINANCIAL INFORMATION PER SHARE:		
(Loss)/earnings per share – Basic (HK Cents)		
– Continuing operations	**(4.8)**	(2.0)
– Discontinued operations	**–**	2.4
	(4.8)	0.4
	30 September 2015	31 March 2015
Net assets per share (HK$) (Net assets/number of issued ordinary shares of the Company)	**2.49**	2.62

INTERIM DIVIDEND:

The Board does not recommend the payment of an interim dividend for the six-month period ended 30 September 2015.

UNAUDITED INTERIM RESULTS

The board of directors (the "Board") of Rykadan Capital Limited宏基資本有限公司(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 2015 together with the unaudited comparative figures for the corresponding period ended 30 September 2014 as follows:

CONSOLIDATED INCOME STATEMENT FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2015 – UNAUDITED

(Expressed in Hong Kong dollars)

	Note	**Six-month period ended 30 September** **2015** ***$'000***	2014 *$'000*
Continuing operations			
Revenue	*3*	**96,269**	130,323
Cost of sales and services		**(61,571)**	(105,855)
Gross profit		**34,698**	24,468
Other revenue		**589**	5,529
Other net (loss)/income		**(1,081)**	4,089
Selling and marketing expenses		**(10,736)**	(3,366)
Administrative and other operating expenses		**(46,102)**	(76,577)
Gain on disposal of interests in subsidiaries		**–**	29,160
Loss from operations		**(22,632)**	(16,697)
Increase in fair value of investment properties	*9*	**7,871**	7,625
Finance costs	*4(a)*	**(3,330)**	(4,002)
Share of profits of associates		**1,190**	9,412
Share of profit/(loss) of a joint venture		**101**	(252)
Loss before taxation		**(16,800)**	(3,914)
Income tax	*5*	**(7,422)**	(5,640)
Loss for the period from continuing operations		**(24,222)**	(9,554)
Discontinued operations			
Profit for the period from discontinued operations	*6*	**–**	9,848
(Loss)/profit for the period	*4*	**(24,222)**	294

	Note	Six-month period ended 30 September	
		2015	2014
		$'000	*$'000*
(Loss)/profit for the period attributable to:			
Equity shareholders of the Company			
– from continuing operations		**(22,783)**	(9,454)
– from discontinued operations		**–**	11,506
		(22,783)	2,052
Non-controlling interests			
– from continuing operations		**(1,439)**	(100)
– from discontinued operations		**–**	(1,658)
		(1,439)	(1,758)
(Loss)/profit for the period		**(24,222)**	294
(Loss)/earnings per share	*7*		
Basic:			
– Continuing operations		**(4.8) cents**	(2.0) cents
– Discontinued operations		**–**	2.4 cents
		(4.8) cents	0.4 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2015 – UNAUDITED

(Expressed in Hong Kong dollars)

	Six-month period ended 30 September	
	2015	2014
	$'000	*$'000*
(Loss)/profit for the period	**(24,222)**	294
Other comprehensive income for the period (after tax and reclassification adjustments):		
Items that may be reclassified subsequently to profit or loss:		
– Exchange differences arising on translation of foreign operations	**(7,020)**	156
– Share of translation reserve of associates	**(410)**	(341)
– Release of investment revaluation reserve upon disposal of interests in subsidiaries	**–**	(7,128)
– Release of translation reserve upon disposal of interests in subsidiaries	**–**	(75)
Other comprehensive income for the period	**(7,430)**	(7,388)
Total comprehensive income for the period	**(31,652)**	(7,094)
Comprehensive income for the period attributable to:		
Equity shareholders of the Company	**(27,547)**	(5,247)
Non-controlling interests	**(4,105)**	(1,847)
Total comprehensive income for the period	**(31,652)**	(7,094)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in Hong Kong dollars)

	Note	**At 30 September 2015 (Unaudited) *$'000***	At 31 March 2015 (Audited) *$'000*
Non-current assets			
Investment properties	*9*	**451,649**	456,518
Other properties, plant and equipment		**54,020**	55,926
Interests in associates	*10*	**124,141**	26,528
Interest in a joint venture		**13,601**	13,417
Other receivables and deposits		**4,173**	132,036
		647,584	684,425
Current assets			
Properties for sale		**506,926**	470,635
Inventories		**61,966**	55,147
Trade receivables	*11*	**100,588**	110,979
Other receivables, deposits and prepayments		**60,303**	64,217
Amount due from a joint venture		**1,946**	1,924
Restricted cash and pledged deposits		**18,412**	–
Bank deposits and cash		**223,102**	279,544
		973,243	982,446
Current liabilities			
Trade and other payables	*12*	**52,328**	44,570
Deposits received from sale of properties		**18,412**	–
Bank loans	*13*	**223,822**	127,235
Loans from non-controlling shareholders		**53,104**	52,256
Amounts due to associates	*10*	**20,022**	17,729
Taxation payable		**2,597**	5,720
		370,285	247,510
Net current assets		**602,958**	734,936
Total assets less current liabilities		**1,250,542**	1,419,361

	Note	At 30 September 2015 (Unaudited) $'000	At 31 March 2015 (Audited) $'000
Non-current liabilities			
Bank loans	*13*	**46,517**	151,319
Deferred tax liabilities		**15,260**	15,833
		61,777	167,152
NET ASSETS		**1,188,765**	1,252,209
CAPITAL AND RESERVES			
Share capital		**4,774**	4,774
Reserves		**1,144,352**	1,193,668
Total equity attributable to equity shareholders of the Company		**1,149,126**	1,198,442
Non-controlling interests		**39,639**	53,767
TOTAL EQUITY		**1,188,765**	1,252,209

NOTES TO THE UNAUDITED INTERIM RESULTS ANNOUNCEMENT

(Expressed in Hong Kong dollars unless otherwise indicated)

1. BASIS OF PREPARATION

These interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issue on 25 November 2015.

These interim financial statements have been prepared in accordance with the same accounting policies adopted in the annual report for the year ended 31 March 2015, except for the changes in accounting policies as set out in note 2.

The preparation of the interim financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim results have not been audited or reviewed by the auditors pursuant to the Hong Kong Standards on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA.

2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of amendments to Hong Kong Financial Reporting Standards ("HKFRSs") that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

– *Amendments to HKAS19, Employee benefits – Defined benefit plans: Employee contributions*
– *Annual Improvements to HKFRS 2010-2012 Cycle*
– *Annual Improvements to HKFRS 2011-2013 Cycle*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by business lines (products and services). In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified four reportable segments. No operating segments have been aggregated to form the following reportable segments.

During the six-month period ended 30 September 2014, the Group disposed of its asset, investment and fund management segment which was presented as discontinued operations. Details were set out in note 6.

Continuing operations

- Property development – This segment derives its revenue from repositioning and value enhancement of property with a focus on development projects in prime locations in Hong Kong, the United Kingdom and the United States of America (the "U.S.A.").

- Property investment and hospitality operations – This segment derives its revenue from leasing of premises within the Group's investment properties portfolio in Hong Kong and the People's Republic of China (the "PRC") and hospitality operations in Asia.

- Distribution of construction and interior decorative materials and educational products – This segment derives its revenue from distribution of (i) stone composite surfaces products in the PRC and a license to use the relevant trademark in connection therewith and (ii) educational products in Hong Kong and the PRC.

Discontinued operations

- 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.

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

Segment results
For the six-month period ended 30 September 2015

	Continuing operations				
	Property development *$'000*	**Property investment and hospitality operations** *$'000*	**Distribution of construction and interior decorative materials** *$'000*	**Elimination** *$'000*	**Consolidated** *$'000*
Revenue					
External revenue	**1,086**	**2,433**	**92,750**	**–**	**96,269**
Inter-segment revenue	**1,155**	**620**	**–**	**(1,775)**	**–**
Total	**2,241**	**3,053**	**92,750**	**(1,775)**	**96,269**
Segment (loss)/profit	**(8,796)**	**(3,314)**	**17,596**	**–**	**5,486**
Corporate expenses					**(18,045)**
Corporate income					**128**
Provision for impairment loss on other receivables					**(10,201)**
Increase in fair value of investment properties					**7,871**
Finance costs					**(3,330)**
Share of profits of associates					**1,190**
Share of profit of a joint venture					**101**
Loss before taxation					**(16,800)**

For the six-month period ended 30 September 2014

	Continuing operations			Discontinued operations		
	Property development	Property investment and hospitality operations	Distribution of construction and interior decorative materials and educational products	Asset, investment and fund management	Elimination	Consolidated
	$'000	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*
Revenue						
External revenue	–	1,413	128,910	15,601	–	145,924
Inter-segment revenue	1,775	–	–	1,377	(3,152)	–
Total	1,775	1,413	128,910	16,978	(3,152)	145,924
Segment (loss)/profit	(781)	(8,414)	8,545	(4,392)	–	(5,042)
Corporate expenses						(21,119)
Corporate income						4,414
Gain on disposal of interests in subsidiaries						43,353
Provision for impairment loss on other receivables						(28,455)
Increase in fair value of investment properties						7,625
Finance costs						(4,002)
Share of profits of associates						9,412
Share of loss of a joint venture						(252)
Profit before taxation						5,934

4. (LOSS)/PROFIT FOR THE PERIOD

(Loss)/profit for the period is arrived at after charging/(crediting):

	Six-month period ended 30 September	
	2015	2014
	$'000	*$'000*
(a) Finance costs		
Continuing operations		
Interests on bank loans	**4,787**	5,321
Less: amounts capitalised *(Note)*	**(1,457)**	(1,319)
	3,330	4,002

Note: Interest was capitalised at an average annual rate of 1.26% (six-month period ended 30 September 2014: 1.36%).

	2015	2014
(b) Other items		
Continuing operations		
Cost of inventories sold	**61,571**	105,855
Depreciation of other properties, plant and equipment	**2,172**	2,193
Loss/(gain) on disposal of other properties, plant and equipment	**48**	(4)
Provision for impairment loss on other receivables *(Note)*	**10,201**	28,455
Interest income	**(128)**	(4,363)
Net foreign exchange loss/(gain)	**1,033**	(4,090)
Discontinued operations		
Depreciation of other properties, plant and equipment	**–**	94
Interest income	**–**	(47)
Net foreign exchange gain	**–**	(47)

Note: Included in other receivables at 31 March 2015 was the amount of $10,168,000 in respect of the remaining consideration receivables from disposal of Wing Lok Innovative Education Organization Corporation (the "Wing Lok Disposal"). Subsequent to 31 March 2015, the Wing Lok Disposal purchaser defaulted on the payments. At 30 September 2015, the Group assessed the recoverability of the consideration receivables and its accrued interest and full provision was made thereof, and charged to profit or loss for the six-month period ended 30 September 2015.

Pursuant to the disposal agreement of the Wing Lok Disopsal which was entered on 31 July 2014, the advances to Wing Lok Innovative Education Organization Corporation and its subsidiaries by the Company amounting to $28,455,000 are to be waived upon payment of the total consideration and interests in full by the Wing Lok Disposal purchaser. At 30 September 2014, full provision was made and charged to profit or loss for the six-month period ended 30 September 2014.

5. INCOME TAX

	Six-month period ended 30 September	
	2015	2014
	$'000	*$'000*
Continuing operations		
Current tax		
Hong Kong Profits Tax		
– Provision for the period	**–**	1,712
– Over-provision in respect of prior year	**–**	(79)
	–	1,633
PRC Enterprise Income Tax	**6,861**	2,095
Overseas tax	**43**	6
	6,904	3,734
Deferred tax		
Origination and reversal of temporary differences	**518**	1,906
	7,422	5,640

No provision for Hong Kong Profits Tax was made for the six-month period ended 30 September 2015 as the entities comprising the Group that are subject to Hong Kong Profits Tax incurred taxable loss for the period. The provision for Hong Kong Profits Tax was calculated at 16.5% of the estimated assessable profits for the six-month period ended 30 September 2014.

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% (six-month period ended 30 September 2014: 25%) for the period.

Overseas tax is calculated at the rates prevailing in the relevant jurisdictions.

6. DISCONTINUED OPERATIONS

On 8 August 2014, the Group entered into a sale agreement to partially dispose of its 30% equity interests in Kailong Holdings Limited ("KLR Holdings") that carried out all of the Group's asset, investment and fund management operations.

The Group had decided to dispose of its equity interests in KLR Holdings as it intends to reallocate its capital into opportunities that offer better potential returns such as real estate investment opportunities. The financial results of KLR Holdings were classified and presented as discontinued operations in accordance with HKFRS 5, "*Non-current assets held for sale and discontinued operations*". The disposal was completed on 26 September 2014, on which date the Group lost control in KLR Holdings.

The results of and loss from the discontinued operations for the period from 1 April 2014 to 26 September 2014 are analysed as follows:

	Period from 1 April 2014 to 26 September 2014 *$'000*
Revenue	15,601
Cost of sales and services	(12,539)
Gross profit	3,062
Other revenue and other net income	674
Administrative and other operating expenses	(8,081)
Loss before taxation	(4,345)
Income tax	–
Loss for the period	(4,345)
Gain on disposal of discontinued operations	14,193
	9,848

The net cash flows incurred by the discontinued operations are as follows:

Net cash used in operating activities	(27,671)
Net cash generated from investing activities	30,861
Net cash inflows	3,190

7. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the (loss)/profit attributable to equity shareholders of the Company from continuing operations and discontinued operations of $22,783,000 (loss) and $Nil respectively (six-month period ended 30 September 2014: $9,454,000 (loss) and $11,506,000 respectively) and the weighted average number of 477,447,000 ordinary shares in issue during both interim periods.

(b) Diluted (loss)/earnings per share

There are no potential diluted ordinary shares during the six-month periods ended 30 September 2015 and 30 September 2014.

8. DIVIDEND

(i) The Board does not recommend the payment of an interim dividend for the six-month period ended 30 September 2015 (six-month period ended 30 September 2014: Nil per share).

(ii) Dividends payable to equity shareholders attributable to the previous financial year

	Six-month period ended 30 September	
	2015	2014
	$'000	*$'000*
Final dividend in respect of the previous financial year, of 5 cents per share (six-month period ended 30 September 2014: 32 cents per share)	**23,872**	152,783

9. INVESTMENT PROPERTIES

	2015	2014
	$'000	*$'000*
At 1 April	**456,518**	355,567
Additions	**–**	228
Transfer	**–**	92,170
Revaluation surplus	**7,871**	8,104
Exchange adjustments	**(12,740)**	449
At 30 September 2015/31 March 2015	**451,649**	456,518

Valuation

The investment properties of the Group were revalued as at 30 September 2015 by an independent firm of surveyors, Roma Appraisals Limited, who have among their staff Fellows of the Hong Kong Institute of Surveyors with recent experience in the location and category of the properties being valued. The fair value of the investment properties is determined using direct comparison approach by reference to recent sales prices of comparable properties adjusted for a premium or a discount specific to quality of the Group's investment properties compared to the recent sales.

10. INTERESTS IN ASSOCIATES

	30 September 2015	31 March 2015
	$'000	*$'000*
Share of net assets	**26,174**	26,528
Amount due from an associate	**97,967**	–
	124,141	26,528
Amounts due to associates	**20,022**	17,729
Dividend received from an associate	**1,134**	–

The amounts due from/(to) associates are unsecured, interest-free and recoverable/repayable on demand.

(a) Acquisition of interest in an associate

On 26 May 2015, Talent Step Investments Limited ("Talent Step"), an indirect wholly-owned subsidiary of the Company and DSM Project Limited ("DSM"), an independent third party of the Group, subscribed for 26% and 74% equity interests of Epic Quest Global Limited ("Epic Quest") for cash of US$26 (equivalent to approximately $202) and US$74 (equivalent to approximately $573) respectively. Given that the Group is able to exercise significant influence over Epic Quest because it has the power to appoint one out of three directors of Epic Quest pursuant to the shareholder's agreement that was entered between Talent Step and DSM, the 26% equity interests of Epic Quest is accounted for as interest in an associate in the consolidated financial statements under equity method of accounting.

On 10 June 2015, Epic Quest entered into the sale and purchase agreement with Excel Value International Limited ("Excel Value") and GT Winner Limited ("GT Winner"), both are independent third parties, pursuant to which Epic Quest agreed to acquire from Excel Value and GT Winner the entire equity interests of and certain loans owing by Smart Wealth Asia Pacific Limited, an owner of a 9-storey industrial building in Hong Kong, at an aggregate consideration of $339,440,000. The transaction was completed on 24 September 2015.

11. TRADE RECEIVABLES

As of the end of the reporting period, the ageing analysis of trade receivables based on the invoice date, net of allowance for doubtful debts, is as follows:

	At 30 September 2015 *$'000*	At 31 March 2015 *$'000*
1-30 days	**10,664**	28,426
31-60 days	**7,119**	19,527
61-90 days	**26,088**	31,616
Over 90 days	**56,717**	31,410
	100,588	110,979

Except for the Group's trade customers, which the Group negotiates on individual basis in accordance with contract terms, i.e. an average credit period of 60 days (31 March 2015: 60 days), all invoices are due upon issue.

12. TRADE AND OTHER PAYABLES

As of the end of the reporting period, the ageing analysis of trade and bills payables (which are included in trade and other payables) based on the invoice date is as follows:

	At 30 September 2015 *$'000*	At 31 March 2015 *$'000*
1-30 days	**18,432**	14,906
31-60 days	**–**	281
61-90 days	**4,458**	1,249
Over 90 days	**53**	952
	22,943	17,388

13. BANK LOANS

At 30 September 2015, bank loans and trust receipt loans were repayable as follows:

	At 30 September 2015	At 31 March 2015
	$'000	*$'000*
Within 1 year or on demand	**223,822**	127,235
After 1 year but within 2 years	**13,251**	110,724
After 2 years but within 5 years	**33,266**	36,738
Over 5 years	**–**	3,857
	270,339	278,554

At 30 September 2015, bank loans and trust receipt loans were secured as follows:

	At 30 September 2015	At 31 March 2015
	$'000	*$'000*
Secured bank loans	**263,315**	257,031
Unsecured bank loans		
– trust receipt loans	**7,024**	21,523
	270,339	278,554

(a) At 30 September 2015, bank loans drawn in Hong Kong bear interest at rates ranging from 2.0% to 2.5% (31 March 2015: 2.0% to 2.7%) per annum over the Hong Kong Interbank Offer Rate or London Interbank Offer Rate and interests are repriced every one to three months.

(b) At 30 September 2015, bank loans drawn in the PRC bear interest at The People's Bank of China Base Interest Rate per annum (31 March 2015: The People's Bank of China Base Interest Rate per annum).

(c) At 30 September 2015, bank loans drawn in the U.S.A. bear interest at 1% per annum over the daily Wall Street Journal Prime Rate (31 March 2015: None).

(d) At 30 September 2015, the bank loans of $97,652,000 (31 March 2015: $114,989,000) that are repayable within one year from the end of the reporting period contains a repayable on demand clause.

(e) At 30 September 2015, the banking facilities of certain subsidiaries of the Group were secured by mortgages over the investment properties, properties for sale and buildings held for own use with an aggregate carrying value of $450,449,000 (31 March 2015: $455,318,000), $355,520,000 (31 March 2015: $257,536,000) and $45,344,000 (31 March 2015: $46,058,000) respectively. Such banking facilities amounted to $497,125,000 (31 March 2015: $436,329,000) were utilised to the extent of $263,315,000 at 30 September 2015 (31 March 2015: $257,031,000).

(f) Certain of the Group's banking facilities are subject to the fulfilment of covenants relating to certain of the Group's statement of financial position ratios. If the Group were to breach the covenants, the drawn down facilities would become repayable on demand. The Group regularly monitors its compliance with these covenants.

At 30 September 2015, none of the covenants relating to the drawn down facilities had been breached (31 March 2015: None).

14. ACQUISITION OF ADDITIONAL INTEREST IN A SUBSIDIARY

On 6 July 2015, Keen Virtue Group Limited, a wholly-owned subsidiary of the Company, acquired an additional 35% equity interests of Wit Legend Investments Limited ("Wit Legend") for a consideration of US$35 (equivalent to approximately $273). Upon the completion of the acquisition, Wit Legend became a wholly-owned subsidiary of the Group. The acquisition was completed on 6 July 2015.

15. NON-ADJUSTING EVENTS AFTER THE END OF THE REPORTING PERIOD

On 23 November 2015, Talent Step and KLR Holdings entered into a repurchase agreement pursuant to which Talent Step has agreed to dispose of all its 9.74% equity interests in KLR Holdings at a consideration of US$4,187,000 (equivalent to approximately $32,515,000) ("KLR Disposal"). Upon completion, Talent Step ceased to own any shares of KLR Holdings. Details of the KLR Disposal were set out in the Company's announcement dated 23 November 2015.

BUSINESS AND FINANCIAL REVIEW

Overview

The six-month period ended 30 September 2015 saw the Group continued to develop its property development business. It has recently announced an industrial property acquisition that will become its third real estate project in Hong Kong and has commenced the pre-sale of its first residential real estate project in the city. Both projects, alongside the Group's other investments, will follow the Group's strategy of securing high-potential investments, growing asset values and exiting within a three-to-five year horizon.

During the interim period, the Group's investments included commercial, industrial and residential property developments in Hong Kong, the People's Republic of China (the "PRC"), the United States of America (the "U.S.A.") and the United Kingdom (the "U.K."). It has also invested in companies operating in the areas of distribution of interior decorative materials, hospitality, as well as in the asset investment and fund management.

As of 30 September 2015, the Group's total assets were valued at HK$1,621 million (31 March 2015: HK$1,667 million), of which HK$973 million (31 March 2015: HK$982 million) were current assets, approximately 2.63 times (31 March 2015: 3.97 times) current liabilities. Equity attributable to the equity shareholders of the Company was HK$1,149 million (31 March 2015: HK$1,198 million).

Overall Performance

During the six months under review, the Group recorded consolidated revenue of HK$96 million from business segments under continuing operations (six-month period ended 30 September 2014: HK$130 million). Gross profit and gross profit margin for these segments was HK$35 million (six-month period ended 30 September 2014: HK$24 million) and 36.0% (six-month period ended 30 September 2014: 18.8%) respectively.

Net loss for the period from continuing and discontinued operations was HK$24 million (six-month period ended 30 September 2014: HK$0.3 million (net profit)). Loss attributable to equity shareholders of the Company was HK$23 million (six-month period ended 30 September 2014: HK$2 million (profit attributable to equity shareholders of the Company)). Net loss is mainly attributable from a provision of a receivable in relation to the disposal of the educational-related investment in previous year, an increase in certain project costs and the absence of one-off gain of disposal from discontinued operations during the six-month period ended 30 September 2014. The Group has initiated legal proceedings to recover the above receivable.

Basic loss per share from continuing operations for the six-month period ended 30 September 2015 was HK 4.8 cents (six-month period ended 30 September 2014: HK 2.0 cents).

The Board does not recommend the payment of an interim dividend for the six-month period ended 30 September 2015.

Material Acquisition and Disposal

In July 2015, Keen Virtue Group Limited, a wholly-owned subsidiary of the Company, acquired an additional 35% equity interests of Wit Legend Investments Limited ("Wit Legend") at a consideration of US$35. Upon the completion of the acquisition, Wit Legend became a wholly-owned subsidiary of the Group (For details, please refer to note 14 of interim results announcement).

In May 2015, the Group and DSM Project Limited ("DSM") acquired respectively 26% and 74% equity interests in a joint venture. In September 2015, the joint venture acquired 100% equity interests of and certain loans owing by Smart Wealth Asia Pacific Limited (an owner of a 9-storey industrial building in Hong Kong ("Wing Hong Street Property Project")) at a total consideration of HK$339 million (For details, please refer to note 10 of interim results announcement).

Investment Portfolio

As of 30 September 2015, the Group's bank deposits and cash was HK$223 million (31 March 2015: HK$280 million), representing 13.8% of the Group's total assets.

The following table shows the Group's investments as at 30 September 2015.

Real estate investments

Investment	Location	Type	Group interest	Status as of 30/9/2015	Total gross floor area	Total land area	Attributable gross floor/ land area
Winston Project	1135 Winston Avenue, San Marino, CA 91108, the U.S.A.	Residential property	100%	Under planning	N/A	21,861 square feet	21,861 square feet
Oakland Project	491 & 497 South Oakland Avenue, Pasadena, CA 91101, the U.S.A.	Residential property	100%	Under planning	N/A	25,163 square feet	25,163 square feet
Hampton Project	957 Hampton Road, Arcadia, CA 91006, the U.S.A.	Residential property	100%	Under construction	10,688 square feet	N/A	10,688 square feet
Fallen Leaf Project	964 Fallen Leaf Road, Arcadia, CA 91006, the U.S.A	Residential property	100%	Under construction	14,845 square feet	N/A	14,845 square feet
Shoreditch Project	79-81 Paul Street, Shoreditch, London, EC2A 4NQ, the U.K.	Commercial property	100%	Under refurbishment	10,947 square feet	N/A	10,947 square feet
Kailong Nanhui Business Park	An industrial complex located at No. 2300 Xuanhuang Road, Huinan County, Pudong New District, Shanghai, the PRC	Commercial property	59.1%	Being marketed to tenants	52,304 square metres	N/A	30,911 square metres
The Paseo (formerly known as Kwun Chung Street Property Project)	Kowloon Inland Lot No. 11229	Residential/ commercial property	100%	Under construction and pre-sale stage	25,338 square feet	N/A	25,338 square feet
Wing Hong Street Property Project	55-57 Wing Hong Street and 84-86 King Lam Street, Kowloon	Industrial property	26%	Under planning	N/A	14,506 square feet	3,772 square feet
2702 and various car parking spaces of Rykadan Capital Tower	135 Hoi Bun Road, Kwun Tong, Kowloon	Commercial property	100%	Completed (Classified as investment properties)	8,304 square feet	N/A	8,304 square feet
2802 and various car parking spaces of Rykadan Capital Tower	135 Hoi Bun Road, Kwun Tong, Kowloon	Commercial property	100%	Completed (Classified as properties for sale)	5,163 square feet	N/A	5,163 square feet

Note: Gross floor area is calculated on the Group's development plans which may be subject to change.

Other investments

Investment	Business/type	Group interest
Q-Stone Building Materials Limited	Distribution of stone composite surfaces products	100%
Rykadan Hospitality Investment Pte. Ltd.	Investment in high potential hospitality and tourism related assets	100%
RS Hospitality Private Limited	A joint venture for operating a 24-suite boutique resort in Bhutan	50%
KLR Holdings Limited	Asset, investment and fund management	9.74%

Summary of investments

United States properties

The Group has invested in four properties in San Marino, Pasadena and Arcadia in the Los Angeles County, California, the U.S.A.. Each city has high resale potential and is increasingly popular destinations for overseas property investors, particularly from Asia.

Two of these properties are currently under construction, with the remaining two in the stage of planning. The Group will continuously review and assess the projects with a view of materialising these investments at an appropriate time.

United Kingdom property

The Group has invested in a commercial property located in London's Shoreditch district, the heart of the U.K.'s technology startup cluster.

The property is an office building consisting of four upper floors, ground floor and a lower ground floor with a total gross floor area of 10,947 square feet. It is located in a few minutes' walk from the Old Street roundabout – also known as the 'Silicon Roundabout' – one of the world's largest technology startup cluster.

Kailong Nanhui Business Park

Kailong Nanhui Business Park is a 52,304 square metres refurbished and high-end business park located in Shanghai under medium term lease and is the Group's first property project in the PRC. The site consists of five high-quality buildings conveniently located near the Shanghai Pudong International Airport, Shanghai Harbor City, the Shanghai Free Trade Zone and the future Shanghai Disney Resort.

As of 30 September 2015, the occupancy rate of Kailong Nanhui Business Park was 5%. The Group will continue to target large and quality tenants, and will consider off-loading the buildings at an appropriate time.

The Paseo

During the interim period, the Group has commenced the pre-sale of The Paseo, a 25-storey tower with a total gross floor area of approximately 25,338 square feet currently under construction. It is located on Kwun Chung Street in Kowloon's Tsim Sha Tsui district, near the planned terminus of the Guangzhou-Shenzhen-Hong Kong Express Rail Link.

The building will primarily consist of boutique luxury apartments, with lower floors of approximately 4,235 square feet for commercial use. The construction of the building is expected to be completed in the first quarter of 2017.

Wing Hong Street Property Project

The Group has invested in an industrial property in the promising Kowloon West business district, located minutes from Lai Chi Kok MTR station.

The Group plans to demolish the existing building and redevelop the property into a brand new high-quality industrial property for reselling purposes. The Group also plans to develop new revenue streams by leveraging its considerable property development experience to provide management services for this project via its wholly-owned subsidiary. The services will be provided under a progressive fee structure linked to cost saving performance.

Rykadan Capital Tower

Located in the heart of Kwun Tong, Hong Kong's emerging second CBD, Rykadan Capital Tower is a 25-storey commercial tower with a gross floor area of 252,820 square feet, overlooking Victoria Harbour and within walking distance of the MTR.

The Group continues to retain two floors for its own use and for rental income or potential rental income.

Q-Stone Building Materials Limited ("Q-Stone")

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 China market. Quarella was established over 40 years ago with factories and research and development centres in Italy. Quarella's products are popularly used for benchtops, bathroom surfaces and floor tiles. It has supplied materials for a number of prominent commercial buildings and shopping malls in the PRC and Hong Kong.

Q-Stone performed well in the six-month period ended 30 September 2015 with contracts on hand worth HK$187 million to be completed in the coming years.

Rykadan Hospitality Investments Pte. Ltd. ("Rykadan Hospitality")

Rykadan Hospitality is the Group's hospitality investment arm. Rykadan Hospitality currently invests in a 24-suite resort located in Bhutan's Punakha Valley, an emerging high-end tourism destination.

KLR Holdings Limited

KLR Holdings Limited is a leading player in the PRC's real estate investment, asset management and fund management markets.

Outlook

The Group remains optimistic about the long-term prospects of Hong Kong, the U.S.A. and the U.K. property markets. The shift of global capital away from emerging markets in favour of well-established and relatively lower-risk markets will support higher-than-average returns in commercials centres such as Hong Kong, Los Angeles and London.

The Group will continue to prudently evaluate new investment opportunities and leverage its experienced management team and business partners to further diversify the Group's portfolio, develop its reputation as an asset manager and maximise future returns for shareholders. The Group will also continue to actively manage its ongoing investments in the Greater China region, South-East Asia, the U.S.A. and the U.K. to support its future performance and unlock value for shareholders in a timely manner.

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 its headquarters in Hong Kong. The Group adheres to the principle of prudent financial management 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 2015, the Group's total debts (representing total interest-bearing bank borrowings) to total assets ratio was 16.7% (31 March 2015: 16.7%). The net gearing ratio (net debts, as defined by total debts less unrestricted bank balances and cash, to equity attributable to equity shareholders of the Company) was 4.1% (31 March 2015: Nil) as the Group has net debt of HK$47 million as at 30 September 2015 (31 March 2015: net cash of HK$1 million).

At 30 September 2015, the Group has total bank borrowings of HK$270 million (31 March 2015: HK$279 million). The bank borrowings of the Group were mainly to finance the retaining two floors of Rykadan Capital Tower, The Paseo, the United States properties and Kailong Nanhui Business Park. Of the total bank borrowings, the bank loans of HK$263 million were secured by the properties for sale, investment properties and buildings held for own use of which HK$114 million will be repayable upon sale of properties. Further costs for developing The Paseo, the United States properties and the

United Kingdom property will be financed by either unutilised banking facilities, deposits received from customers held as restricted bank balances designated for the project or internally generated funds.

The liquidity of the Group remains strong and healthy. As at 30 September 2015, the Group's current assets and current liabilities were HK$973 million (31 March 2015: HK$982 million) and HK$370 million (31 March 2015: HK$248 million) respectively. The Group's current ratio decreased to 2.63 (31 March 2015: 3.97). The internally generated funds, together with unutilised banking facilities enable the Group to meet its business development needs.

The Group will cautiously seek new investment and development opportunities in order to balance risk and opportunities and maximise shareholders' value.

Employees and Remuneration Policies

As at 30 September 2015, the total number of employees of the Group from business segments under continuing operations is 68 (30 September 2014: 78 and 47 for continuing operations and discontinued operations respectively). The Group offers an attractive remuneration policy and provides external training programmes which are complementary to certain job functions. Total remuneration for employees (including the directors' remuneration) was HK$21 million for the period (30 September 2014: HK$37 million).

Contingent liabilities

At the end of the reporting period, the Company has issued guarantee to banks in respect of banking facilities granted to certain indirect wholly-owned subsidiaries of HK$751,129,000 (31 March 2015: HK$529,054,000). The banking facilities were utilised to the extent of HK$231,402,000 (31 March 2015: HK$239,024,000) as at 30 September 2015. The directors do not consider it probable that a claim will be made against the Company under any of the guarantees. The Company has not recognised any deferred income in respect of these guarantees as their fair values cannot be reliably measured using observable market data and no transaction price was incurred.

Event after reporting period

On 23 November 2015, Talent Step and KLR Holdings entered into a repurchase agreement pursuant to which Talent Step has agreed to dispose of all its 9.74% equity interests in KLR Holdings at a consideration of US$4,187,000 (equivalent to approximately $32,515,000) ("KLR Disposal"). Upon completion, Talent Step ceased to own any shares of KLR Holdings. Details of the KLR Disposal were set out in the Company's announcement dated 23 November 2015.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Interim Dividend

The Board does not recommend the payment of an interim dividend for the six-month period ended 30 September 2015.

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 followed the principles and complied with all applicable code provisions and certain recommended best practices set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules, except the deviations from code provisions A.2.1 and A.6.7 of the CG Code, details of which are set out below:

Mr. Chan William ("Mr. Chan") has been appointed as Chief Executive Officer of the Company on 1 July 2012 and is now both the Chairman and the Chief Executive Officer of the Company, and that the functions of the Chairman and the Chief Executive Officer in the Company's strategic planning and development process overlap. These constitute a deviation from code provision A.2.1 of the CG Code which stipulates that the roles of the Chairman and the Chief Executive 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 at this time and that such arrangement be subject to review by the Board from time to time.

Under the code provisions of A.6.7 of the CG Code, non-executive directors should attend general meetings of the Company. The non-executive director was absent from the last annual general meeting held on 26 August 2015 due to other business commitments.

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 websites of the Hong Kong Exchanges and Clearing Limited (http://www.hkexnews.hk) and the Company (http://www.rykadan.com) and the interim report for the six-month period ended 30 September 2015 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, 25 November 2015

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