RYKADAN CAPITAL LIMITED
宏基資本有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2288)

PROFIT WARNING

The announcement is made by Rykadan Capital Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")) under Part XIVA of the Securities and Futures Ordinance (Cap. 571) and Rule 13.09(2)(a) of the Listing Rules.

The board of directors (the "**Board**") of the Company wishes to inform the shareholders of the Company and potential investors that, based on the information currently available to the Board, the Group is expected to record a consolidated net loss for the year ended 31 March 2016 compared with a consolidated net profit for last year.

The anticipated consolidated net loss is mainly attributable from the marketing costs incurred in property development projects while the properties have not yet delivered, delay of certain projects in the PRC for distribution of interior decorative materials business as a result of PRC's sluggish property market, the net foreign exchange loss arose from the fluctuation of Renminbi and Euro, fair value losses on investment properties in PRC and in absence of a one-off gain of disposal from discontinued operations during the year ended 31 March 2015.

As the Company is still in the process of finalising the results of the Group for the year ended 31 March 2016, the information contained in this announcement is only based on a preliminary assessment by the Group's management on the basis of the unaudited management accounts of the Group and the information available for the time being, but not on any data or information which has been audited or reviewed by the auditors of the Company. Details of the financial information and other operating details of the Group for the year ended 31 March 2016 will be disclosed in the final results announcement of the Company which is expected to be published on 16 June 2016.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company and, in the case of doubt, to seek independent advice from professional or financial advisers.

By order of the Board
Rykadan Capital Limited
CHAN William
Chairman and Chief Executive Officer

Hong Kong, 3 June 2016

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.