RYKADAN CAPITAL LIMITED
宏基資本有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2288)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2016

FINANCIAL HIGHLIGHTS

	For the year ended 31 March	
	2016	2015
	(Audited)	*(Audited)*
RESULTS		
(Loss)/profit for the year from continuing operations (HK$'000)	**(91,636)**	101,797
Profit for the year from discontinued operations (HK$'000)	–	9,848
(Loss)/profit for the year – continuing and discontinued operations (HK$'000)	**(91,636)**	111,645
FINANCIAL INFORMATION PER SHARE		
(Loss)/earnings per share – Basic (HK cents)		
– Continuing operations	**(17.5)**	21.3
– Discontinued operations	–	2.4
	(17.5)	23.7
	As at 31 March 2016	As at 31 March 2015
Net assets per share (HK$) (Net assets/number of issued ordinary shares of the Company)	**2.34**	2.62

BANK BALANCES AND CASH

As at 31 March 2016, the Group had bank deposits and cash of approximately HK$132 million (2015: HK$280 million).

FINAL DIVIDEND

The Board has proposed the payment of a final dividend of HK3 cents per share.

The board of directors (the "Board") of Rykadan Capital Limited 宏基資本有限公司 (the "Company") hereby announces the consolidated annual results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2016 together with the comparative figures for the year ended 31 March 2015 as follows:

CONSOLIDATED INCOME STATEMENT
For the Year ended 31 March 2016

	Note	2016 $'000	2015 $'000
Continuing operations			
Revenue	3	**153,108**	321,723
Cost of sales and services		**(115,063)**	(233,986)
Gross profit		**38,045**	87,737
Other revenue	4(a)	**6,985**	6,422
Other net income	4(b)	**4,600**	7,788
Selling and marketing expenses		**(36,002)**	(10,679)
Administrative and other operating expenses		**(94,722)**	(142,163)
Gain on disposal of interests in subsidiaries		**–**	29,160
Gain on disposal of interest in an associate	11(b)	**8,713**	64,091
(Loss)/profit from operations		**(72,381)**	42,356
(Decrease)/increase in fair value of investment properties		**(9,124)**	61,810
		(81,505)	104,166
Finance costs	5(a)	**(6,126)**	(7,725)
Share of profits less loss of associates		**1,115**	22,396
Share of profit/(loss) of joint ventures		**282**	(226)
(Loss)/profit before taxation	5	**(86,234)**	118,611
Income tax	6	**(5,402)**	(16,814)
(Loss)/profit for the year from continuing operations		**(91,636)**	101,797
Discontinued operations			
Profit for the year from discontinued operations	7	**–**	9,848
(Loss)/profit for the year		**(91,636)**	111,645

CONSOLIDATED INCOME STATEMENT (CONTINUED)

For the Year ended 31 March 2016

	Note	**2016** **$'000**	2015 *$'000*
Attributable to:			
Equity shareholders of the Company			
– from continuing operations		**(83,363)**	101,908
– from discontinued operations		**–**	11,506
		(83,363)	113,414
Non-controlling interests			
– from continuing operations		**(8,273)**	(111)
– from discontinued operations		**–**	(1,658)
		(8,273)	(1,769)
(Loss)/profit for the year		**(91,636)**	111,645
(Loss)/earnings per share	*8*		
Basic:			
– Continuing operations		**(17.5) cents**	21.3 cents
– Discontinued operations		**–**	2.4 cents
		(17.5) cents	23.7 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Year ended 31 March 2016

	Note	**2016**	2015
		$'000	*$'000*
(Loss)/profit for the year		**(91,636)**	111,645
Other comprehensive income for the year (after tax and reclassification adjustments):			
Items that may be reclassified subsequently to profit or loss:			
– Exchange differences arising on translation of foreign operations		**(11,863)**	2,993
– Share of translation reserve of an associate		**(410)**	(281)
– Release of investment revaluation reserve upon disposal of interests in subsidiaries		**–**	(7,128)
– Release of translation reserve upon disposal of interests in subsidiaries		**–**	(75)
– Release of translation reserve upon disposal of interest in an associate	*11(b)*	**425**	(608)
Other comprehensive income for the year		**(11,848)**	(5,099)
Total comprehensive income for the year		**(103,484)**	106,546
Comprehensive income for the year attributable to:			
Equity shareholders of the Company		**(91,413)**	108,222
Non-controlling interests		**(12,071)**	(1,676)
Total comprehensive income for the year		**(103,484)**	106,546

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2016

	Note	2016	2015
		$'000	$'000
Non-current assets			
Investment properties	10(a)	**430,583**	456,518
Other properties, plant and equipment	10(b)	**61,512**	55,926
Interests in associates	11	**106,797**	26,528
Interests in joint ventures		**13,785**	13,417
Other receivables and deposits		**5,231**	132,036
		617,908	684,425
Current assets			
Properties for sale		**789,612**	470,635
Inventories		**71,203**	55,147
Trade receivables	12	**46,708**	110,979
Other receivables, deposits and prepayments		**63,607**	64,217
Trading securities		**20,473**	–
Amounts due from joint ventures		**1,156**	1,924
Restricted bank deposits		**226,062**	–
Bank deposits and cash		**132,099**	279,544
Taxation recoverable		**4,730**	–
		1,355,650	982,446
Current liabilities			
Trade and other payables	13	**61,928**	44,570
Deposits received from sale of properties		**261,991**	–
Bank loans	14	**295,809**	127,235
Loans from non-controlling shareholders		**75,207**	52,256
Amounts due to associates	11	**–**	17,729
Taxation payable		**–**	5,720
		694,935	247,510

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 31 March 2016

	Note	2016 $'000	2015 $'000
Net current assets		**660,715**	734,936
Total assets less current liabilities		**1,278,623**	1,419,361
Non-current liabilities			
Bank loans	*14*	**151,137**	151,319
Deferred tax liabilities		**11,711**	15,833
		162,848	167,152
NET ASSETS		**1,115,775**	1,252,209
CAPITAL AND RESERVES			
Share capital		**4,774**	4,774
Reserves		**1,075,244**	1,193,668
Total equity attributable to equity shareholders of the Company		**1,080,018**	1,198,442
Non-controlling interests		**35,757**	53,767
TOTAL EQUITY		**1,115,775**	1,252,209

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 21 August 2009. The addresses of the registered office and principal place of business of the Company are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and Rooms 2701 & 2801, Rykadan Capital Tower, 135 Hoi Bun Road, Kwun Tong, Kowloon respectively.

The Company acts as an investment holding company and provides corporate management services. The principal activities of its principal subsidiaries are set out in the annual report.

These consolidated financial statements of the Group are presented in Hong Kong dollars ("HKD"), which is also the functional currency of the Company.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

The principal accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2015 except for the changes stated as below.

CHANGE IN ACCOUNTING POLICIES

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group:

– *Annual Improvements to HKFRSs 2010-2012 Cycle*
– *Annual Improvements to HKFRSs 2011-2013 Cycle*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

Impacts of the adoption of the amended HKFRSs are discussed below:

Annual Improvements to HKFRSs 2010-2012 Cycle and 2011-2013 Cycle

These two cycles of annual improvements contain amendments to nine standards with consequential amendments to other standards. Among them, HKAS 24, *Related party disclosures* has been amended to expand the definition of a "related party" to include a management entity that provides key management personnel services to the reporting entity, and to require the disclosure of the amounts incurred for obtaining the key management personnel services provided by the management entity. These amendments do not have an impact on the Group's related party disclosures as the Group does not obtain key management personnel services from management entities.

3. REVENUE AND SEGMENT REPORTING

(a) Revenue

Revenue represents income from distribution of construction and interior decorative materials, sales of properties, rental income and hospitality service fees and sales of educational products supplied to customers.

An analysis of the Group's revenue from continuing operations for the year is as follows:

	2016	2015
	$'000	*$'000*
Distribution of construction and interior decorative materials	**121,974**	316,960
Sales of properties	**24,868**	–
Rental income	**6,167**	4,299
Hospitality service fees	**99**	291
Sales of educational products	**–**	173
	153,108	321,723

(b) 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 presented the following four reportable segments. No operating segments have been aggregated to form the following reportable segments.

During the year ended 31 March 2015, the Group disposed of its asset, investment and fund management segment which was presented as discontinued operations. Details are set out in note 7.

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 Greater China region 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.

Segment (loss)/profit represents (loss from)/profit earned by each segment, excluding income and expenses of the corporate function, such as certain other revenue and other net income, certain administrative and other operating expenses, gain on disposal of interests in subsidiaries and an associate, (decrease)/increase in fair value of investment properties, net unrealised gain on trading securities, gain on disposal of trading securities, provision for impairment loss on other receivables, finance costs, share of profits less loss of associates and share of profit/(loss) of joint ventures.

All assets are allocated to operating segments other than certain other properties, plant and equipment, interests in associates, interests in joint ventures, certain other receivables, deposits and prepayments, trading securities, amounts due from joint ventures and bank deposits and cash.

All liabilities are allocated to operating segments other than certain other payables, loans from non-controlling shareholders, certain bank loans and deferred tax liabilities.

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

Segment results

For the year ended 31 March 2016

	Continuing operations				
	Property development	Property investment and hospitality operations	Distribution of construction and interior decorative materials	Elimination	Consolidated
	$'000	*$'000*	*$'000*	*$'000*	*$'000*
Revenue					
External revenue	**26,119**	**5,015**	**121,974**	**–**	**153,108**
Inter-segment revenue	**–**	**3,753**	**–**	**(3,753)**	**–**
Total	**26,119**	**8,768**	**121,974**	**(3,753)**	**153,108**
Segment (loss)/profit	**(38,723)***	**(6,876)**	**4,775**	**–**	**(40,824)**
Corporate expenses					**(66,567)**
Corporate income					**4,904**
Gain on disposal of interest in an associate					**8,713**
Decrease in fair value of investment properties					**(9,124)**
Net unrealised gain on trading securities					**12,327**
Gain on disposal of trading securities					**9,066**
Finance costs					**(6,126)**
Share of profits less loss of associates					**1,115**
Share of profit of joint ventures					**282**
Loss before taxation					**(86,234)**

* Segment loss was primarily attributable to the selling and marketing costs incurred in relation to pre-sale of properties.

	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	706	3,884	317,133	15,601	–	337,324
Inter-segment revenue	2,310	1,239	–	1,377	(4,926)	–
Total	3,016	5,123	317,133	16,978	(4,926)	337,324
Segment (loss)/profit	(1,600)	(19,851)	39,716	(4,392)	–	13,873
Corporate expenses						(46,482)
Corporate income						5,824
Gain on disposal of interests in subsidiaries						43,353
Gain on disposal of interest in an associate						64,091
Increase in fair value of investment properties						61,810
Provision for impairment loss on other receivables						(28,455)
Finance costs						(7,725)
Share of profits of associates						22,396
Share of loss of a joint venture						(226)
Profit before taxation						128,459
Profit before taxation						
– Continuing operations						118,611
– Discontinued operations						9,848
						128,459

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

	2016	2015
	$'000	*$'000*
Segment assets		
Continuing operations		
Property development	**995,418**	505,446
Property investment and hospitality operations	**514,376**	477,694
Distribution of construction and interior decorative materials	**145,719**	181,300
Total segment assets	**1,655,513**	1,164,440
Other properties, plant and equipment	**213**	349
Interests in associates	**106,797**	26,528
Interests in joint ventures	**13,785**	13,417
Other receivables, deposits and prepayments	**43,522**	180,669
Trading securities	**20,473**	–
Amounts due from joint ventures	**1,156**	1,924
Bank deposits and cash	**132,099**	279,544
Total consolidated assets of the Group	**1,973,558**	1,666,871
Segment liabilities		
Continuing operations		
Property development	**557,836**	154,363
Property investment and hospitality operations	**146,172**	138,939
Distribution of construction and interior decorative materials	**40,060**	49,359
Total segment liabilities	**744,068**	342,661
Other payables	**6,797**	3,912
Loans from non-controlling shareholders	**75,207**	52,256
Bank loan	**20,000**	–
Deferred tax liabilities	**11,711**	15,833
Total consolidated liabilities of the Group	**857,783**	414,662

Other segment information

For the year ended 31 March 2016

	Continuing operations					
	Property development	**Property investment and hospitality operations**	**Distribution of construction and interior decorative materials**	**Segment Total**	**Unallocated**	**Consolidated**
	$'000	***$'000***	***$'000***	***$'000***	***$'000***	***$'000***
Amounts included in the measure of segment results or segment assets:						
Additions of other properties, plant and equipment (including investment properties)	–	**11,412**	**1,237**	**12,649**	**36**	**12,685**
Depreciation of other properties, plant and equipment	–	**(3,310)**	**(1,015)**	**(4,325)**	**(170)**	**(4,495)**
Loss on disposal of other properties, plant and equipment	–	**(50)**	**(1)**	**(51)**	–	**(51)**

For the year ended 31 March 2015

	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	Segment Total	Unallocated	Consolidated
	$'000	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*
Amounts included in the measure of segment results or segment assets:							
Additions of other properties, plant and equipment (including investment properties)	7,011	93,407	1,072	56	101,546	190	101,736
Depreciation of other properties, plant and equipment	(1,890)	(1,259)	(979)	(94)	(4,222)	(142)	(4,364)
Gain on disposal of other properties, plant and equipment	–	–	–	–	–	4	4

Geographical information

The management has categorised revenue from continuing operations by location of customers as follows:

	2016	2015
	$'000	*$'000*
Hong Kong	**8,189**	995
The PRC	**118,991**	319,759
Others	**25,928**	969
	153,108	321,723

The Group's information about its non-current assets (excluding financial instruments) by geographical location of the assets or by the location of the related operations are detailed below:

	2016	2015
	$'000	*$'000*
Hong Kong	**153,617**	144,883
The PRC	**338,478**	394,014
Others	**13,785**	13,492
	505,880	552,389

4. OTHER REVENUE AND OTHER NET INCOME

	2016	2015
	$'000	*$'000*
(a) Other revenue		
Interest income	**4,280**	5,777
Income from forfeiture of property sales deposits	**1,093**	–
Others	**1,612**	645
	6,985	6,422
(b) Other net income		
(Loss)/gain on disposal of other properties, plant and equipment	**(51)**	4
Gain on disposal of trading securities	**9,066**	–
Net unrealised gain on trading securities	**12,327**	–
Net foreign exchange (loss)/gain	**(16,742)**	7,784
	4,600	7,788

5. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived at after charging/(crediting):

	2016	2015
	$'000	*$'000*
(a) Finance costs		
Interest on bank loans	**9,831**	10,356
Less: amounts capitalised *(Note)*	**(3,705)**	(2,631)
	6,126	7,725

Note: Interest was capitalised at an average annual rate of 2.3% (2015: 2.7%).

	2016	2015
	$'000	*$'000*
(b) Other items		
Depreciation of other properties, plant and equipment	**4,495**	4,270
Salaries, wages and other benefits	**50,782**	62,117
Contributions to defined contribution retirement plans	**1,317**	1,597
Share-based payments	**1,230**	–
Staff costs (including directors' remuneration)	**53,329**	63,714
Cost of inventories	**81,923**	233,986
Cost of properties under development for recognised sales	**33,140**	–
Operating lease payments in respect of leased properties	**6,506**	7,809
Rental receivable from investment properties less direct outgoings of $1,337,000 (2015: $962,000)	**(4,830)**	(3,337)
Impairment loss/(reversal of impairment):		
– Trade receivables *(note 12)*	**7,509**	(83)
– Other receivables	**–**	28,455
Auditors' remuneration	**1,627**	1,510
Equity settled share-based payment	**4,649**	8,100

6. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

	2016	2015
	$'000	*$'000*
Current tax		
Hong Kong Profits Tax		
– Provision for the year	**5**	3,681
– Over-provision in respect of prior year	**(177)**	(133)
	(172)	3,548
PRC Enterprise Income Tax	**4,860**	11,121
Withholding tax	**3,251**	–
Overseas tax	**43**	119
	7,982	14,788
Deferred tax		
Origination and reversal of temporary differences	**(2,580)**	2,026
	5,402	16,814

The provision for Hong Kong Profits Tax is calculated at 16.5% (2015: 16.5%) of the estimated assessable profits for the year ended 31 March 2016.

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% (2015: 25%) for the year.

Withholding tax of 10% is levied on the proceeds of disposal of interest in an associate in the PRC by a Hong Kong subsidiary.

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

7. 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 ("2014 KLR Disposal").

The Group had decided to dispose of its equity interests in KLR Holdings as it intended 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.

Details of the 2014 KLR Disposal are set out in note 9 of the 2015 annual report.

8. (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 and discontinued operations of loss of $83,363,000 and $Nil respectively (2015: profit of $101,908,000 and $11,506,000 respectively) and the weighted average number of 477,447,000 ordinary shares issued during the years ended 31 March 2016 and 31 March 2015.

(b) Diluted earnings per share

There are no potential diluted ordinary shares during the years ended 31 March 2016 and 31 March 2015.

9. DIVIDEND

(a) Dividend payable to equity shareholders attributable to the year

	2016	2015
	$'000	*$'000*
Final dividend declared and paid after the year of 3 cents per share (2015: 5 cents per share)	**14,323**	23,872

The board of directors does not recommend the payment of an interim dividend for the year ended 31 March 2016.

The final dividend has not been recognised as a liability at the end of the reporting period.

(b) Dividend payable to equity shareholders attributable to the previous financial year, approved and paid during the year

	2016	2015
	$'000	*$'000*
Final dividend in respect of the previous financial year of 5 cents per share (2015: 32 cents per share)	**23,872**	152,783

10. INVESTMENT PROPERTIES AND OTHER PROPERTIES, PLANT AND EQUIPMENT

(a) Investment properties

	2016	2015
	$'000	*$'000*
At valuation:		
At 1 April	**456,518**	355,567
Additions	**–**	228
Transfer	**2,400**	92,170
Revaluation (deficit)/surplus	**(10,320)**	8,104
Exchange adjustments	**(18,015)**	449
At 31 March	**430,583**	456,518

All investment properties are held in Hong Kong and the PRC under medium-term leases. At 31 March 2016, investment properties of $429,383,000 (2015: $455,318,000) were pledged as securities for bank loans (note 14).

During the year ended 31 March 2016, completed properties held for sale of $2,400,000 (2015: $92,170,000) were transferred from "properties for sale" to "investment properties" as a result of change of use. The properties were measured at fair value at the time of transfer and revaluation surplus of $1,196,000 (2015: $53,706,000) have been dealt with in the consolidated income statement.

The investment properties in Hong Kong and the PRC were revalued as at 31 March 2016 respectively by Roma Appraisals Limited and Colliers International (Hong Kong) Limited, independent firms of surveyors who have among their staff Fellows of the Hong Kong Institute of Surveyors with recent experience in the locations and categories of properties being valued.

(b) Other properties, plant and equipment

During the year ended 31 March 2016, the Group acquired items of other properties, plant and equipment in aggregate of $10,285,000 which primarily consisted of buildings held for own use of $8,216,000.

11. INTERESTS IN ASSOCIATES

	2016	2015
	$'000	*$'000*
Share of net assets	**–**	26,528
Amount due from an associate	**106,797**	–
	106,797	26,528
Amounts due to associates	**–**	17,729
Dividends received from an associate	**3,856**	–

Amount due from an associate is unsecured, interest-free and has no fixed terms of repayment.

Amounts due to associates were unsecured, interest-free and 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 of the Group, 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.

(b) Disposal of 9.74% equity interests in KLR Holdings

In November 2015, the Group disposed of its remaining 9.74% equity interests in KLR Holdings, at a consideration of US$4,187,000 (equivalent to approximately $32,515,000) ("2015 KLR Disposal") and resulted in the Group recognising a gain of approximately $8,713,000 in profit or loss, calculated as follows:

	$'000
Fair value of consideration received and receivable	32,515
Less: carrying amount of 9.74% equity interests in KLR Holdings	(23,377)
Release of translation reserve	(425)
Gain recognised in profit or loss	8,713

As at 31 March 2016, KLR Holdings had settled US$3,768,000 (equivalent to approximately $29,264,000). The remaining amount of the consideration in the carrying amount of US$419,000 (equivalent to approximately $3,251,000) is included in other receivables, deposits and prepayments at 31 March 2016.

The Group equity accounted for the financial results of KLR Holdings until 23 November 2015 and recognised in profit or loss as the share of profits less loss of associates of $1,115,000.

12. TRADE RECEIVABLES

	2016	2015
	$'000	*$'000*
Trade receivables	**65,070**	126,793
Less: allowance for doubtful debts	**(18,362)**	(15,814)
	46,708	110,979

At 31 March 2016, the ageing analysis of trade receivables based on invoice date, net of allowance for doubtful debts, are as follows:

	2016	2015
	$'000	*$'000*
1-30 days	**7,638**	28,426
31-60 days	**3,822**	19,527
61-90 days	**2,844**	31,616
Over 90 days	**32,404**	31,410
	46,708	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 90 days (2015: 60 days), all invoices are due upon issue.

Before accepting any new customers, the Group assesses the potential customers' credit quality and defines credit limits by customers. Recoverability of the existing customers is reviewed by the Group regularly.

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly.

The movement in the allowance for doubtful debts during the year is as follows:

	2016	2015
	$'000	*$'000*
At 1 April	**15,814**	17,275
Impairment loss recognised/(reversal of impairment)	**7,509**	(83)
Uncollectible amounts written off	**(4,125)**	(1,397)
Exchange adjustments	**(836)**	19
At 31 March	**18,362**	15,814

At 31 March 2016, the Group's trade receivables of $18,362,000 (2015: $15,814,000) were individually determined to be impaired. The individually impaired receivables related to customers that were in financial difficulties and management assessed that these receivables were not expected to be recovered. During the year ended 31 March 2016, specific allowances for doubtful debts of $7,509,000 was recognised (2015: $83,000 was reversed).

The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired is as follows:

	2016	2015
	$'000	*$'000*
Neither past due nor impaired	**20,993**	62,658
1-30 days	**8,610**	13,966
31-60 days	**4,077**	8,890
61-90 days	**1,758**	11,590
Over 90 days	**11,270**	13,875
	25,715	48,321
	46,708	110,979

Receivables that were neither past due nor impaired relate to a wide range of customers who have no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

13. TRADE AND OTHER PAYABLES

At 31 March 2016, included in trade and other payables are trade payables of $12,821,000 (2015: $17,388,000) and the ageing analysis of trade payables, based on invoice date, is as follows:

	2016	2015
	$'000	*$'000*
1-30 days	**12,794**	14,906
31-60 days	**–**	281
61-90 days	**–**	1,249
Over 90 days	**27**	952
	12,821	17,388

14. BANK LOANS

At 31 March 2016, the bank loans are repayable as follows:

	2016	2015
	$'000	*$'000*
Within 1 year or on demand	**295,809**	127,235
After 1 year but within 2 years	**11,640**	110,724
After 2 years but within 5 years	**139,497**	36,738
After 5 years	**–**	3,857
	446,946	278,554

At 31 March 2016, the secured bank loans and unsecured bank loans are as follows:

	2016	2015
	$'000	*$'000*
Secured bank loans	**420,036**	257,031
Unsecured bank loans	**26,910**	21,523
	446,946	278,554

(a) At 31 March 2016, bank loans drawn in Hong Kong bear interest at the rates range from 2.0% to 2.7% (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 31 March 2016, bank loans drawn in the PRC bear interest at The People's Bank of China Base Interest Rate per annum (2015: The People's Bank of China Base Interest Rate per annum).

(c) At 31 March 2016, bank loans drawn in the U.S.A. bear interest at 1% per annum over the daily Wall Street Journal Prime Rate (2015: None).

(d) At 31 March 2016, bank loans of approximately $134,652,000 (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 31 March 2016, the banking facilities 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 $429,383,000 (2015: $455,318,000), $664,543,000 (2015: $257,536,000) and $52,761,000 (2015: $46,058,000) respectively. Such banking facilities amounted to $932,931,000 (2015: $501,329,000) were utilised to the extent of $420,036,000 at 31 March 2016 (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. None of the covenants relating to the drawn down facilities had been breached for the years ended 31 March 2016 and 31 March 2015.

15. ACQUISITION OF ADDITIONAL INTEREST IN A SUBSIDIARY AND PARTIAL DISPOSAL OF INTERESTS IN SUBSIDIARIES WITHOUT LOSS OF CONTROL

(a) 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.

(b) Partial disposal of interests in subsidiaries without loss of control

In December 2015, the Company, Fine China Consultants Limited and Cultivate Shine Limited, entered into a sale and purchase agreement pursuant to which the Company has agreed to dispose of its 9% and 4% equity interests in its subsidiary, Joint Champ International Limited, at a consideration of $1,047,000 and $466,000 respectively ("Joint Champ Disposal").

Joint Champ Disposal was completed on 31 December 2015.

Joint Champ Disposal was accounted for as equity settled transactions and the share-based payment of $3,999,000 was recognised and charged to profit or loss for the year ended 31 March 2016. Upon completion of the Joint Champ Disposal, the Group recognised an increase in non-controlling interests of $4,084,000 and an increase in equity attributable to shareholders of the Company of $1,428,000.

	At 31 December 2015
	$'000
Fair value of net assets disposed of	5,512
Increase in carrying value of non-controlling interests	(4,084)
Gain on disposal within equity	1,428

BUSINESS AND FINANCIAL REVIEW

Overview

The year ended 31 March 2016 saw the Group make significant strides in the development of its property development business. This included the successful pre-sale of The Paseo, the Group's first residential real estate project, as well as the acquisition of two industrial properties in Hong Kong. These projects, alongside the Group's other investments, will continue to align with the Group's strategy of securing high-potential investments, growing asset values and exiting within a three-to-five year horizon.

During the year under review, 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 construction and interior decorative materials and hospitality operations.

As at 31 March 2016, the Group's total assets was valued at HK$1,974 million (2015: HK$1,667 million), of which HK$1,356 million (2015: HK$982 million) was current assets, approximately 1.95 times (2015: 3.97 times) of current liabilities. Equity attributable to the owners of the Company was HK$1,080 million (2015: HK$1,198 million).

Overall Performance

During the year ended 31 March 2016, the Group recorded consolidated revenue of HK$153 million from business segments under continuing operations (2015: HK$322 million). Gross profit and gross profit margin for these segments were HK$38 million (2015: HK$88 million) and 24.8% (2015: 27.3%) respectively.

Loss for the year from continuing and discontinued operations was HK$92 million (2015: profit of HK$112 million). Loss attributable to equity shareholders of the Company was HK$83 million (2015: profit attributable to equity shareholders of the Company of HK$113 million).

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

Basic loss per share from continuing operations for the year ended 31 March 2016 was HK17.5 cents (2015: earnings of HK21.3 cents per share).

The board declared a final dividend per share of HK3 cents (2015: HK5 cents).

Material Acquisitions and Disposals

In December 2015, the Group disposed of 9% and 4% of the equity interests in Joint Champ International Limited, a wholly-owned subsidiary of the Company prior to the disposal, to Fine China Consultants Limited and Cultivate Shine Limited for a consideration of HK$1 million and HK$0.5 million respectively. *(For details, please refer to note 15(b) of annual results announcement)*.

In November 2015, Talent Step Investments Limited, an indirect wholly-owned subsidiary of the Company, sold the remaining 9.74% stake in Kailong Holdings Limited to the remaining shareholders of Kailong Holdings Limited for a total consideration of US$4 million (equivalent to approximately HK$33 million). *(For details, please refer to note 11(b) of annual results announcement)*.

In July 2015, Keen Virtue Group Limited, a wholly-owned subsidiary of the Company, acquired additional 35% equity interests of Wit Legend Investments Limited ("Wit Legend") for a consideration of US$35 (equivalent to approximately HK$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. *(For details, please refer to note 15(a) of annual results announcement)*.

In May 2015, the Group and DSM Project Limited ("DSM") acquired respectively 26% and 74% equity interest in Epic Quest Global Limited ("Epic Quest"). In September 2015, Epic Quest 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 Project")) at a total consideration of HK$339 million. *(For details, please refer to note 11(a) of annual results announcement)*.

Investment Portfolio

As at 31 March 2016, the Group had bank deposits and cash of approximately HK$132 million (2015: HK$280 million), representing 6.7 % (2015: 16.8%) of the Group's total assets.

The following table shows the Group's investments as at 31 March 2016.

Real estate investments

Investment	*Location*	*Type*	*Group interest*	*Status as of 31/3/2016*	*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
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	10,939 square feet	N/A	10,939 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 completed	25,338 square feet	N/A	25,338 square feet

Investment	*Location*	*Type*	*Group interest*	*Status as of 31/3/2016*	*Total gross floor area*	*Total land area*	*Attributable gross floor/land area*
Maple Street Project	124-126, 130, 132 and 134 Bedford Road, Tai Kok Tsui, Kowloon	Industrial property	100%	Under planning	N/A	7,200 square feet	7,200 square feet
Wing Hong Street 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
2803, 2804 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)	3,348 square feet	N/A	3,348 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	Trading in construction and interior decorative materials	87%
Rykadan Hospitality Investments 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%

SUMMARY AND REVIEW OF INVESTMENTS

Property Development

The Group has been very active in the property development segment this year. The Group has disposed of the Oakland Project in the U.S.A. and acquired the Maple Street Project and the Wing Hong Street Project in Hong Kong. For both the Maple Street Project and the Wing Hong Street Project, the Group plans to demolish the existing buildings and redevelop the properties into brand new high quality industrial properties for reselling purposes. The Group expects to launch the pre-sale of the Wing Hong Street Project in the second quarter of 2016.

The Group has also completed the pre-sale of the residential portion of The Paseo during the year under review. The construction of the building is expected to be completed in 2016.

The property development segment is also bringing the Group to develop new revenue streams by leveraging its considerable property development experience to provide management services. The Group is providing management services for the Wing Hong Street Project via its wholly-owned subsidiary, Rykadan Management Services Limited. The services will be provided under a progressive fee structure linked to cost saving performance.

The Group will continuously review and assess the projects on hand with a view of materialising the investments at an appropriate time.

Property Investment and Hospitality Operations

The Group holds several properties in Hong Kong, the PRC and Bhutan for property investment purposes.

In Hong Kong, the Group continues to retain two floors of the Rykadan Capital Tower for its own use and for rental income or potential rental income.

In the PRC, the Group has invested in the Kailong Nanhui Business Park. As of 31 March 2016, 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.

In Bhutan, the Group has invested in a 24-suite boutique resort located in Bhutan's Punakha Valley and the operation and occupancy has been stable.

Trading in Construction and Interior Decorative Materials

Q-Stone Building Materials Limited ("Q-Stone") is the subsidiary of the Group for the business of trading in construction and interior decorative materials. Q-Stone is 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.

As at 31 March 2016, Q-Stone has contracts on hand worth HK$204 million to be completed in the coming years.

Outlook

The Group remains optimistic about the prospects of Hong Kong commercial and industrial property markets, despite the current slowdown being experienced in other parts of the market. Buyers will continue to be attracted to the ongoing rejuvenation of ex-industrial areas such as West Kowloon, a trend that the Group is well positioned to benefit from, due to the lack of space and development opportunities in traditional commercial districts.

The Group also remains optimistic about the long-term prospects of the U.S.A. and the U.K. property markets as global capital continues to shift away from emerging markets in favour of well-established and relatively lower-risk markets.

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 and overseas 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 31 March 2016, the Group's total debts (representing total interest-bearing bank borrowings) to total assets ratio was 22.6% (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 29.2% (2015: Nil) as the Group has net debts of HK$315 million as at 31 March 2016 (2015: net cash of HK$1 million).

At 31 March 2016, the Group has total bank borrowings of HK$447 million (2015: HK$279 million). The bank borrowings of the Group were mainly to finance the retaining two floors of Rykadan Capital Tower, The Paseo, Maple Street Project, the United States properties and Kailong Nanhui Business Park. Of the total bank borrowings, the bank loans of HK$420 million were secured by the properties for sale, investment properties and buildings held for own use of which HK$262 million will be repayable upon the completion of construction of properties. Further costs for developing The Paseo, Maple Street Project, the United States properties, the United Kingdom property and Wing Hong Street Project will be financed by either unutilised banking facilities, deposits received from customers held as restricted bank deposits designated for the project or internally generated funds.

As at 31 March 2016, the Group's current assets and current liabilities were HK$1,356 million (2015: HK$982 million) and HK$695 million (2015: HK$248 million) respectively. The Group's current ratio decreased to 1.95 (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 risks and opportunities and maximise shareholders' value.

Exposure to Fluctuations in Exchange Rates and Interest Rates and Corresponding Hedging Arrangements

The Group operates in various regions with different foreign currencies mainly including Euro, United States Dollars, British Pound Sterling and Renminbi.

The Group's bank borrowings have been made at floating rates.

The Group has not implemented any foreign currencies and interest rates hedging policy. However, the management of the Group will monitor foreign currencies and interest rates for each business segment and consider appropriate hedging policies in the future when necessary.

Contingent Liabilities

At the end of the reporting period, the Company has issued guarantees to banks in respect of banking facilities granted to certain indirect subsidiaries of HK$1,133,042,000 (2015: HK$529,054,000). The banking facilities were utilised to the extent of HK$376,719,000 as at 31 March 2016 (2015: HK$239,024,000). 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 and no transaction price was incurred.

Employees and Remuneration Policies

As at 31 March 2016, the total number of employees of the Group for continuing operations is 67 (31 March 2015: 74 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$53 million for the year (2015: HK$77 million).

EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, the Group disposed of a total of 5,900,000 shares of listed securities over a series of transactions conducted between 1 April 2016 to 13 June 2016, at the prices between HK$4.61 and HK$4.78 for an aggregate gross sale proceeds of HK$27,570,000 (excluding transaction costs).

The Group realised a gain on disposal of listed securities of approximately HK$7,101,000 (excluding transaction costs) and recorded in the profit or loss for the year ending 31 March 2017.

SCOPE OF WORK OF KPMG

The financial figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2016 as set out in the preliminary announcement have been agreed by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor.

PROPOSED FINAL DIVIDEND

A final dividend of HK3 cents per share for the year ended 31 March 2016 has been proposed by the Board and is subject to approval by the shareholders in the forthcoming annual general meeting. Upon approval by the shareholders, the proposed final dividend will be paid on 30 September 2016 to the shareholders of the Company whose names appear on the Company's register of members as at 21 September 2016.

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The 2016 annual general meeting (the "AGM") of the Company is scheduled to be held on 29 August 2016. For determining the qualification as shareholders to attend and vote at the AGM, the register of members of the Company will be closed from Thursday, 25 August 2016 to Monday, 29 August 2016, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, investors are urged to lodge all transfers of shares accompanied by the relevant share certificates with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 24 August 2016.

CLOSURE OF REGISTER OF MEMBERS FOR DIVIDEND

For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Thursday, 22 September 2016 to Friday, 23 September 2016, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the entitlement to the proposed final dividend, all transfer of shares accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on Wednesday, 21 September 2016.

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 year.

CORPORATE GOVERNANCE

During the year, the Company had complied with the 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 following deviations:

Code provision A.1.1 of the CG Code stipulates that regular board meetings should be held at least four times a year at approximately quarterly intervals. There were eight Board meetings held during the year ended 31 March 2016, two of which were regular meetings held for approving the final results for the year ended 31 March 2015 and the interim results for the period ended 30 September 2015. The Company has not held the other two regular Board meetings as it is not required under the Listing Rules to publish quarterly results.

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 code provision A.6.7 of the CG Code, the 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 of conduct regarding securities transactions of the directors, senior management and relevant employees (who, because of their office or employment, is likely to possess inside information in relation to the Company or its securities) of the Group (the "Securities Code") with terms no less exacting than that of the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules.

Having made specific enquiries, all of the directors and relevant employees of the Group confirmed that they have complied with the Securities Code and the Model Code throughout the year ended 31 March 2016.

AUDIT COMMITTEE REVIEW

The Audit Committee comprises 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, with the chairman possessing the appropriate professional qualifications and accounting expertise. The Company's annual results for the year ended 31 March 2016 have been reviewed by the Audit Committee.

PUBLICATION OF RESULTS ANNOUNCEMENT

This results announcement is available for viewing on the websites of the Hong Kong Exchanges and Clearing Limited (http://www.hkexnews.hk) and the Company (http://www.rykadan.com) and the annual report for the year ended 31 March 2016 of the Company containing all the information required by the Listing Rules will be dispatched to the Company's shareholders and published on the above websites in due course.

For and on behalf of the Board
Rykadan Capital Limited
宏基資本有限公司
CHAN William
Chairman and Chief Executive Officer

Hong Kong, 16 June 2016

As at the date of this announcement, the Board comprises Mr. CHAN William (Chairman and Chief Executive Officer), 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.