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 2017

FINANCIAL HIGHLIGHTS

	For the year ended 31 March	
	2017	2016
RESULTS		
Profit/(loss) for the year (HK$'000)	**54,385**	(91,636)
FINANCIAL INFORMATION PER SHARE		
Earnings/(loss) per share – Basic and diluted (HK cents)	**11.2**	(17.5)
	At 31 March 2017	At 31 March 2016
Net assets per share (HK$) (Net assets/number of issued ordinary shares of the Company)	**2.40**	2.34

BANK BALANCES AND CASH

At 31 March 2017, the Group had bank deposits and cash of HK$125 million (2016: HK$132 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 2017 together with the comparative figures for the year ended 31 March 2016 as follows:

CONSOLIDATED INCOME STATEMENT
For the year ended 31 March 2017

	Note	**2017** **$'000**	2016 *$'000*
Revenue	*3*	**602,325**	153,108
Cost of sales and services		**(464,213)**	(115,063)
Gross profit		**138,112**	38,045
Other revenue	*4(a)*	**4,605**	6,985
Other net (loss)/income	*4(b)*	**(21,815)**	4,600
Selling and marketing expenses		**(18,469)**	(36,002)
Administrative and other operating expenses		**(75,731)**	(94,722)
Gain on disposal of interest in an associate		**–**	8,713
Profit/(loss) from operations		**26,702**	(72,381)
Increase/(decrease) in fair value of investment properties	*9*	**32,843**	(9,124)
		59,545	(81,505)
Finance costs	*5(a)*	**(6,723)**	(6,126)
Share of profit less loss of associates		**–**	1,115
Share of profits of joint ventures		**9,240**	282
Profit/(loss) before taxation	*5*	**62,062**	(86,234)
Income tax	*6*	**(7,677)**	(5,402)
Profit/(loss) for the year		**54,385**	(91,636)
Attributable to:			
Equity shareholders of the Company		**53,510**	(83,363)
Non-controlling interests		**875**	(8,273)
Profit/(loss) for the year		**54,385**	(91,636)
Earnings/(loss) per share	*7*		
Basic and diluted		**11.2 cents**	(17.5) cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2017

	2017	2016
	$'000	*$'000*
Profit/(loss) for the year	**54,385**	(91,636)
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	**(11,321)**	(11,863)
– Share of translation reserve of an associate	**–**	(410)
– Release of translation reserve upon disposal of interest in an associate	**–**	425
Other comprehensive income for the year	**(11,321)**	(11,848)
Total comprehensive income for the year	**43,064**	(103,484)
Comprehensive income for the year attributable to:		
Equity shareholders of the Company	**46,754**	(91,413)
Non-controlling interests	**(3,690)**	(12,071)
Total comprehensive income for the year	**43,064**	(103,484)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2017

	Note	2017 $'000	2016 $'000
Non-current assets			
Investment properties	9	**458,773**	430,583
Other properties, plant and equipment		**56,481**	61,512
Interests in associates	10	**106,797**	106,797
Interests in joint ventures	11	**69,328**	13,785
Other receivables, deposits and prepayment		**683**	5,231
		692,062	617,908
Current assets			
Properties for sale		**618,438**	789,612
Inventories		**65,339**	71,203
Trade receivables	12	**136,046**	46,708
Other receivables, deposits and prepayments		**17,752**	63,607
Trading securities		**–**	20,473
Amounts due from joint ventures	11	**–**	1,156
Cash held by stakeholders		**17,023**	226,062
Bank deposits and cash		**124,721**	132,099
Taxation recoverable		**–**	4,730
		979,319	1,355,650
Current liabilities			
Trade and other payables	13	**56,803**	61,928
Deposits received from sale of properties		**8,688**	261,991
Bank loans	14	**229,345**	295,809
Loans from non-controlling shareholders		**76,248**	75,207
Taxation payable		**5,492**	–
		376,576	694,935

	Note	2017 $'000	2016 $'000
Net current assets		**602,743**	660,715
Total assets less current liabilities		**1,294,805**	1,278,623
Non-current liabilities			
Bank loans	*14*	**137,843**	151,137
Deferred tax liabilities		**12,446**	11,711
		150,289	162,848
NET ASSETS		**1,144,516**	1,115,775
CAPITAL AND RESERVES			
Share capital		**4,774**	4,774
Reserves		**1,107,675**	1,075,244
Total equity attributable to equity shareholders of the Company		**1,112,449**	1,080,018
Non-controlling interests		**32,067**	35,757
TOTAL EQUITY		**1,144,516**	1,115,775

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 2016 except for the changes stated as below.

CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group. 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. REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are property development, property investment and hospitality operations and distribution of construction and interior decorative materials.

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

	2017	2016
	$'000	*$'000*
Sales of completed properties	**356,104**	24,868
Distribution of construction and interior decorative materials	**239,855**	121,974
Rental income	**6,366**	6,167
Hospitality service fees	**–**	99
	602,325	153,108

The Group's customer base is diversified and includes only one customer (2016: 2 customers) with whom transactions have exceeded 10% of the Group's revenue.

For the year ended 31 March 2017, revenue from distribution of construction and interior decorative materials to this customer, including sales to entities which are known to the Group to be under common control with this customer, is amounted to approximately $114,265,000.

For the year ended 31 March 2016, revenue from sales of completed properties is amounted to approximately $24,868,000 to one customer and revenue from distribution of construction and interior decorative materials to another customer, including sales to entities which are known to the Group to be under common control with this customer, is amounted to approximately $70,934,000.

(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 three reportable segments. No operating segments have been aggregated to form the following reportable segments.

- 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 – This segment derives its revenue from distribution of stone composite surfaces products in the Greater China region and a license to use the relevant trademark in connection therewith.

For the purpose of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment profit/(loss) represents profit earned by/(loss from) each segment, excluding income and expenses of the corporate function, such as certain other revenue and other net (loss)/income, certain administrative and other operating expenses, gain on disposal of interest in an associate, increase/(decrease) in fair value of investment properties, net unrealised gain on trading securities, gain on disposal of trading securities, finance costs, share of profit less loss of associates and share of profits 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 that are not managed directly by segments.

All liabilities are allocated to operating segments other than certain other payables, loans from non-controlling shareholders, certain bank loans and deferred tax liabilities that are not managed directly by segments.

In addition, management is provided with segment results and other information concerning revenue (including inter-segment sales), additions of and transfers to other properties, plant and equipment (including investment properties at fair value), depreciation of other properties, plant and equipment and loss on disposal of other properties, plant and equipment. Inter-segment sales are priced with reference to prices charged to external parties for similar services.

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

Segment results

For the year ended 31 March 2017

	Property development *$'000*	Property investment and hospitality operations *$'000*	Distribution of construction and interior decorative materials *$'000*	Elimination *$'000*	Total *$'000*
Revenue					
External revenue	**356,104**	**6,366**	**239,855**	**–**	**602,325**
Inter-segment revenue	**–**	**4,161**	**–**	**(4,161)**	**–**
Total	**356,104**	**10,527**	**239,855**	**(4,161)**	**602,325**
Segment profit/(loss) from operations	**57,995**	**(2,389)**	**35,930**	**–**	**91,536**
Corporate expenses					**(73,769)**
Corporate income					**1,838**
Increase in fair value of investment properties					**32,843**
Gain on disposal of trading securities					**7,097**
Finance costs					**(6,723)**
Share of profits of joint ventures					**9,240**
Profit before taxation					**62,062**

For the year ended 31 March 2016

	Property development	Property investment and hospitality operations	Distribution of construction and interior decorative materials	Elimination	Total
	$'000	*$'000*	*$'000*	*$'000*	*$'000*
Revenue					
External revenue	24,868	6,266	121,974	–	153,108
Inter-segment revenue	–	3,753	–	(3,753)	–
Total	24,868	10,019	121,974	(3,753)	153,108
Segment (loss)/profit from operations	(39,974)*	(5,625)	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 profit 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.

Segment assets and liabilities

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

	2017	2016
	$'000	*$'000*
Segment assets		
Property development	**646,871**	1,018,708
Property investment and hospitality operations	**460,689**	433,025
Distribution of construction and interior decorative materials	**203,792**	145,719
Total segment assets	**1,311,352**	1,597,452
Other properties, plant and equipment	**54,710**	58,274
Interests in associates	**106,797**	106,797
Interests in joint ventures	**69,328**	13,785
Other receivables, deposits and prepayments	**4,473**	43,522
Trading securities	**–**	20,473
Amounts due from joint ventures	**–**	1,156
Bank deposits and cash	**124,721**	132,099
Total consolidated assets of the Group	**1,671,381**	1,973,558
Segment liabilities		
Property development	**203,547**	557,836
Property investment and hospitality operations	**128,659**	146,172
Distribution of construction and interior decorative materials	**71,811**	40,060
Total segment liabilities	**404,017**	744,068
Other payables	**4,154**	6,797
Loans from non-controlling shareholders	**76,248**	75,207
Bank loans	**30,000**	20,000
Deferred tax liabilities	**12,446**	11,711
Total consolidated liabilities of the Group	**526,865**	857,783

Other segment information

For the year ended 31 March 2017

	Property development *$'000*	**Property investment and hospitality operations** *$'000*	**Distribution of construction and interior decorative materials** *$'000*	**Segment Total** *$'000*	**Unallocated** *$'000*	**Total** *$'000*
Amounts included in the measure of segment results or segment assets:						
Additions of and transfers to other properties, plant and equipment (including investment properties at fair value)	**–**	**37,200**	**56**	**37,256**	**96**	**37,352**
Depreciation of other properties, plant and equipment	**–**	**–**	**(876)**	**(876)**	**(3,661)**	**(4,537)**
Loss on disposal of other properties, plant and equipment	**–**	**–**	**(480)**	**(480)**	**–**	**(480)**

For the year ended 31 March 2016

	Property development *$'000*	Property investment and hospitality operations *$'000*	Distribution of construction and interior decorative materials *$'000*	Segment Total *$'000*	Unallocated *$'000*	Total *$'000*
Amounts included in the measure of segment results or segment assets:						
Additions of and transfers to other properties, plant and equipment (including investment properties at fair value)	–	2,400	1,237	3,637	9,048	12,685
Depreciation of other properties, plant and equipment	–	(16)	(1,015)	(1,031)	(3,464)	(4,495)
Loss on disposal of other properties, plant and equipment	–	(50)	(1)	(51)	–	(51)

Geographical information

Management has categorised revenue by location at which the services were provided or the goods were delivered as follows:

	2017	2016
	$'000	*$'000*
Hong Kong	**360,606**	8,189
The PRC	**241,719**	118,991
Others	**–**	25,928
	602,325	153,108

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

	2017	2016
	$'000	*$'000*
Hong Kong	**197,603**	153,617
The PRC	**326,248**	338,478
Others	**15,083**	13,785
	538,934	505,880

4. OTHER REVENUE AND OTHER NET (LOSS)/INCOME

	2017	2016
	$'000	*$'000*
(a) Other revenue		
Income from forfeiture of property sales deposits	**1,847**	1,093
Dividend income from trading securities	**472**	–
Interest income	**166**	4,280
Others	**2,120**	1,612
	4,605	6,985
(b) Other net (loss)/income		
Gain on disposal of trading securities	**7,097**	9,066
Net unrealised gain on trading securities	**–**	12,327
Loss on disposal of other properties, plant and equipment	**(480)**	(51)
Net foreign exchange loss	**(28,432)**	(16,742)
	(21,815)	4,600

5. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging/(crediting):

	2017	2016
	$'000	*$'000*
(a) Finance costs		
Interest on bank loans	**12,285**	9,831
Interest on loan from a non-controlling shareholder	**121**	–
Less: interest expenses capitalised into properties under development for sale *(Note)*	**(5,683)**	(3,705)
	6,723	6,126

Note: Interest was capitalised at an average annual rate of approximately 2.6 % (2016: 2.3%).

	2017	2016
	$'000	*$'000*
(b) Other items		
Depreciation of other properties, plant and equipment	**4,537**	4,495
Salaries, wages and other benefits	**49,884**	50,782
Contributions to defined contribution retirement plans	**1,167**	1,317
Share-based payments	**–**	1,230
Staff costs (including directors' remuneration)	**51,051**	53,329
Cost of inventories	**171,394**	81,923
Cost of properties for recognised sales	**289,437**	33,140
Operating lease payments in respect of leased properties	**5,744**	6,506
Rental receivable from investment properties less direct outgoings of $3,382,000 (2016: $1,337,000)	**(2,984)**	(4,830)
Impairment loss of trade receivables *(Note 12)*	**5,302**	7,509
Reversal of allowances for doubtful debts *(Note 12)*	**(5,512)**	–
Auditors' remuneration – audit services	**1,508**	1,450
Equity settled share-based payments	**–**	4,649

6. INCOME TAX

	2017	2016
	$'000	*$'000*
Current tax		
Hong Kong Profits Tax		
– Provision for the year	**1,610**	5
– Over-provision in respect of prior year	**–**	(177)
	1,610	(172)
PRC Enterprise Income Tax	**7,010**	4,860
Withholding tax		
– Provision for the year	**–**	3,251
– Over-provision in respect of prior year	**(3,251)**	–
	(3,251)	3,251
Overseas tax		
– Provision for the year	**–**	43
– Over-provision in respect of prior years	**(88)**	–
	(88)	43
	5,281	7,982
Deferred tax		
Origination and reversal of temporary differences	**2,396**	(2,580)
	7,677	5,402

The provision for Hong Kong Profits Tax is calculated at 16.5% (2016: 16.5%) of the estimated assessable profits for the year ended 31 March 2017.

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% (2016: 25%) for the year ended 31 March 2017.

Withholding tax of 10% is levied on the gain derived from the 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. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit attributable to equity shareholders of the Company of $53,510,000 (2016: loss of $83,363,000) and 477,447,000 (2016: 477,447,000) ordinary shares in issue during the year.

(b) Diluted earnings/(loss) per share

The diluted earnings/(loss) per share is the same as the basic earnings/(loss) per share as there are no potential dilutive ordinary shares in existence during the years ended 31 March 2017 and 31 March 2016.

8. DIVIDEND

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

	2017	2016
	$'000	*$'000*
Final dividend declared and paid after the year of 3 cents per share (2016: 3 cents per share)	**14,323**	14,323

The Board does not recommend the payment of an interim dividend for the year ended 31 March 2017.

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

	2017	2016
	$'000	*$'000*
Final dividend in respect of the previous financial year of 3 cents per share (2016: 5 cents per share)	**14,323**	23,872

9. INVESTMENT PROPERTIES

	2017	2016
	$'000	*$'000*
At valuation:		
At 1 April	**430,583**	456,518
Additions	**100**	–
Transfers	**15,873**	1,204
Revaluation surplus/(deficit)	**32,843**	(9,124)
Exchange adjustments	**(20,626)**	(18,015)
At 31 March	**458,773**	430,583

All investment properties are held in Hong Kong and the PRC under medium-term leases. At 31 March 2017, investment properties of $457,273,000 (2016: $429,383,000) were pledged as securities for bank loans (Note 14).

During the year ended 31 March 2017, completed properties held for sale at cost of $15,873,000 (2016: $1,204,000) 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 amounting to $37,100,000 (2016: $2,400,000) and revaluation surplus of $21,227,000 (2016: $1,196,000) have been dealt with in the consolidated income statement.

The investment properties in Hong Kong and the PRC were revalued at 31 March 2017 by Asset Appraisal Limited and Colliers International (Hong Kong) Limited respectively (2016: Roma Appraisals Limited and Colliers International (Hong Kong) Limited respectively), 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.

10. INTERESTS IN ASSOCIATES

	2017	2016
	$'000	*$'000*
Share of net assets, unlisted	**–**	–
Amount due from an associate *(Note)*	**106,797**	106,797
Interests in associates	**106,797**	106,797
Dividends received from an associate	**–**	3,856

Note: Amount due from an associate is unsecured, interest-free and has no fixed terms of repayment. At 31 March 2017, the amount is not expected to be recovered within the next twelve months from the end of the reporting period. The amount is neither past due nor impaired.

11. INTERESTS IN JOINT VENTURES AND AMOUNTS DUE FROM JOINT VENTURES

	2017	2016
	$'000	*$'000*
Share of net assets, unlisted	**22,997**	13,785
Amounts due from joint ventures	**46,331**	–
Interests in joint ventures	**69,328**	13,785
Amounts due from joint ventures (current portion)	**–**	1,156

In September 2016, the Group successfully tendered for the lease of the business and certain assets of Quarella S.p.A. with a joint-venture partner as part of a public tender through a wholly-owned subsidiary of Quarella Holdings Limited, a joint venture of the Group. At 31 March 2017, the Group has advanced to Quarella Holdings Limited and its subsidiaries various loans which amounted to $40,005,000 in aggregate. In addition, the Group has provided a guarantee in favour of a utility service provider to secure the payment obligation of a subsidiary of Quarella Holdings Limited for an amount up to Euro370,000 (equivalent to approximately $3,091,000). The directors do not consider it probable that a claim will be made against the Group under the guarantee and has not recognised any deferred income in respect of the guarantee and no transaction price was incurred accordingly.

At 31 March 2017, amount due from a joint venture, RB Le Roy, LLC, of $6,326,000 is unsecured, interest bearing of 5.5% per annum and has no fixed terms of repayment but is not expected to be recovered within the next twelve months from the end of the reporting period. The remaining balance of $40,005,000 due from another joint venture, Quarella Holdings Limited, is unsecured, interest-free and has no fixed terms of repayment but is not expected to be recoverable within twelve months from the end of the reporting period. The amounts are neither past due nor impaired.

At 31 March 2016, amounts due from joint ventures were unsecured, interest-free and recoverable on demand.

12. TRADE RECEIVABLES

	2017	2016
	$'000	*$'000*
Trade receivables	**151,873**	65,070
Less: allowance for doubtful debts	**(15,827)**	(18,362)
	136,046	46,708

At 31 March 2017, the ageing analysis of trade receivables based on invoice date, net of allowance for doubtful debts, is as follows:

	2017	2016
	$'000	*$'000*
1-30 days	**24,728**	7,638
31-60 days	**26,306**	3,822
61-90 days	**16,188**	2,844
Over 90 days	**68,824**	32,404
	136,046	46,708

The Group negotiates with customers on individual basis in accordance with contract terms, i.e. an average credit period of 90 days (2016: 90 days), except for sales of properties the proceeds from which are receivable pursuant to the terms of agreements.

Before accepting any new customers of the distribution of construction and interior decorative materials business, 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:

	2017	2016
	$'000	*$'000*
At 1 April	**18,362**	15,814
Impairment loss recognised	**5,302**	7,509
Uncollectible amounts written off	**(1,317)**	(4,125)
Reversal of allowance for doubtful debts	**(5,512)**	–
Exchange adjustments	**(1,008)**	(836)
At 31 March	**15,827**	18,362

At 31 March 2017, the Group's trade receivables of $15,827,000 (2016: $18,362,000) 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 2017, specific allowances for doubtful debts of $5,302,000 (2016: $7,509,000) was recognised.

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

	2017	2016
	$'000	*$'000*
Neither past due nor impaired	**58,411**	20,993
1-30 days	**16,274**	8,610
31-60 days	**5,138**	4,077
61-90 days	**4,845**	1,758
Over 90 days	**51,378**	11,270
	77,635	25,715
	136,046	46,708

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 2017, included in trade and other payables are trade payables of $2,728,000 (2016: $12,821,000) and the ageing analysis of trade payables, based on invoice date, is as follows:

	2017	2016
	$'000	*$'000*
1-30 days	**2,702**	12,794
31-60 days	**–**	–
61-90 days	**–**	–
Over 90 days	**26**	27
	2,728	12,821

14. BANK LOANS

At 31 March 2017, the bank loans are repayable as follows:

	2017	2016
	$'000	*$'000*
Within 1 year or on demand	**229,345**	295,809
After 1 year but within 2 years	**10,926**	11,640
After 2 years but within 5 years	**126,917**	139,497
	367,188	446,946

At 31 March 2017, the secured bank loans and unsecured bank loans are as follows:

	2017	2016
	$'000	*$'000*
Secured bank loans	**316,912**	420,036
Unsecured bank loans	**50,276**	26,910
	367,188	446,946

(a) At 31 March 2017, bank loans drawn in Hong Kong bear interest at the rates range from 1.9% to 2.5% (2016: 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 2017, bank loans drawn in the PRC bear interest at The People's Bank of China Base Interest Rate (2016: The People's Bank of China Base Interest Rate) per annum.

(c) At 31 March 2017, bank loans drawn in the U.S.A. bear interest at 1% (2016: 1%) per annum over the daily Wall Street Journal Prime Rate.

(d) At 31 March 2017, bank loans of approximately $162,177,000 (2016: $134,652,000) that are repayable within one year from the end of the reporting period contains a repayable on demand clause.

(e) At 31 March, banking facilities of the Group were secured by mortgages over:

	2017	2016
	$'000	*$'000*
Investment properties *(Note 9)*	**457,273**	429,383
Buildings held for own use	**51,074**	52,761
Properties for sale	**401,092**	664,543
Pledged bank deposit (included in bank deposits and cash)	**422**	–
	909,861	1,146,687

Such banking facilities amounted to $712,056,000 (2016: $932,931,000) were utilised to the extent of $335,010,000 at 31 March 2017 (2016: $420,036,000).

(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 was 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 2017 and 31 March 2016.

15. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to current year's presentation.

BUSINESS AND FINANCIAL REVIEW

Overview

The Group achieved another significant milestone in its property development business after successfully monetising its first residential real estate project – The Paseo – during the year under review. It also brought its industrial property development projects in Hong Kong closer to fruition with the successful pre-sale of one of these developments, under the project name of THE AGORA (hereafter referred to as the "Wing Hong Street Project").

The Group's continued success in delivering these projects helped it further build its track record as a property development and investment company, while also aligning with its 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 2017, the Group's total assets amounted to HK$1,671 million (2016: HK$1,974 million), of which HK$979 million (2016: HK$1,356 million) was current assets, approximately 2.60 times (2016: 1.95 times) of current liabilities. Equity attributable to the owners of the Company was HK$1,112 million (2016: HK$1,080 million).

Overall Performance

During the year ended 31 March 2017, the Group recorded consolidated revenue of HK$602 million (2016: HK$153 million). Gross profit and gross profit margin were HK$138 million (2016: HK$38 million) and 22.9% (2016: 24.8%) respectively.

Profit for the year was HK$54 million (2016: loss of HK$92 million). Profit attributable to equity shareholders of the Company was HK$54 million (2016: loss attributable to equity shareholders of the Company of HK$83 million).

The profit was mostly attributed to the sales of a majority of residential units of The Paseo, a 25-storey mixed residential/commercial project in the Tsim Sha Tsui district, Kowloon and fair value gain on investment properties in Hong Kong and the PRC, notwithstanding that the Group recorded a net foreign exchange loss that arose from the fluctuation of Renminbi and British Pound.

Basic and diluted earnings per share for the year ended 31 March 2017 was HK11.2 cents (2016: basic and diluted loss of HK17.5 cents per share).

The Board declared a final dividend per share of HK3 cents (2016: HK3 cents).

Material Acquisitions and Disposals

There is no material acquisition and disposal during the year.

Investment Portfolio

As at 31 March 2017, the Group had bank deposits and cash of HK$125 million (2016: HK$132 million), representing 7.5% (2016: 6.7%) of the Group's total assets.

The following table shows the Group's investments as at 31 March 2017.

Real Estate Investments

Investment	Location	Type	Group's interest	Status as of 31/3/2017	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
265 Naomi Project	265 W Naomi Avenue, Arcadia, CA91007, the U.S.A.	Residential property	100%	Under planning	N/A	22,858 square feet	22,858 square feet
263 Naomi Project	263 W Naomi Avenue, Arcadia, CA91007, the U.S.A.	Residential property	100%	Under planning	N/A	22,858 square feet	22,858 square feet
Hampton Project	957 Hampton Road, Arcadia, CA 91006, the U.S.A.	Residential property	100%	Under construction. Expected to be completed in the second quarter of 2017	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. Expected to be completed in the second quarter of 2017	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%	Completed (classified as properties for sale)	10,939 square feet	N/A	10,939 square feet
Le Roy Project	333 West Le Roy Avenue, Arcadia, CA91007, the U.S.A.	Residential property	50%	Under planning	N/A	20,473 square feet	10,237 square feet

Investment	Location	Type	Group's interest	Status as of 31/3/2017	Total gross floor area	Total land area	Attributable gross floor/land area
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 (one residential flat and commercial area)	Kowloon Inland Lot No. 11229	Residential/ commercial property	100%	Completed (classified as properties for sale)	5,029 square feet	N/A	5,029 square feet
Maple Street Project	124-126, 130, 132 and 134 Bedford Road, Tai Kok Tsui, Kowloon	Industrial property	100%	Under construction. Expected to be completed in December 2018	86,400 square feet	N/A	86,400 square feet
Wing Hong Street Project	55-57 Wing Hong Street and 84-86 King Lam Street, Kowloon	Industrial property	26%	Under construction and pre-sale stage. Expected to be completed in December 2018	181,687 square feet	N/A	47,239 square feet
2702, 2803, 2804 and various car parking spaces of Rykadan Capital Tower	135 Hoi Bun Road, Kwun Tong, Kowloon	Commercial property	100%	Completed (classified as investment properties)	11,652 square feet	N/A	11,652 square feet
Various car parking spaces of Rykadan Capital Tower	135 Hoi Bun Road, Kwun Tong, Kowloon	Commercial property	100%	Completed (classified as properties for sale)	N/A	N/A	N/A

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

Other investments

Investment	Business/type	Group's interest
Q-Stone Building Materials Limited	Distribution of construction and interior decorative materials	87%
Quarella Holdings Limited	Producer of quartz and marble-based engineered stone composite surfaces products	43.5%
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 made substantial progress in moving forward its property development investments during the year under review, particularly in Hong Kong. Highlights included successfully monetising and handing-over The Paseo, the Group's first residential real estate project, as well as the successful pre-sale of the Wing Hong Street Project.

The Group was also active in acquiring more overseas property development sites, including three new residential properties in Arcadia, the U.S.A.

The Group will focus on completing its two remaining industrial redevelopment projects in Hong Kong. The Group's strategy remains to redevelop both sites by demolishing the existing building and constructing new high quality industrial properties for reselling purposes.

The successful completion of these projects will cement the Group's reputation and track record as a property developer, which will support its expansion into new business fields in the future. For example, the Group started providing management services for the Wing Hong Street Project via its wholly-owned subsidiary, Rykadan Management Services Limited. This service is provided under a progressive fee structure linked to cost saving performance.

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

Property Investment and Hospitality Operations

The Group also holds several properties in Hong Kong, the PRC and Bhutan.

In Hong Kong, the Group continues to retain two floors of 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. 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, for which operations and occupancy has been stable.

Distribution of Construction and Interior Decorative Materials

During the year, the Group successfully tendered for the lease of the business and certain assets of Quarella S.p.A., a world leader in the production of quartz and marble-based engineered stone composite surfaces products, via a joint-venture. The Group is yet to finalise a shareholders' agreement with its joint-venture partner ahead of the acquisition which is expected to be completed in the second half of 2017. Quarella was established over 40 years ago and currently has factories and research and development centres in Italy. Its products are popularly used for benchtops, bathroom surfaces and floor tiles and it has supplied materials for a number of prominent commercial buildings and shopping malls in many markets around the world, including the PRC and Hong Kong.

Due to the new development with Quarella, the Group is looking for other brands to expand its construction and interior decorative materials business of the subsidiary, Q-Stone Building Materials Limited ("Q-Stone"). As at 31 March 2017, Q-Stone had contracts on hand worth HK$124 million to be completed in the coming years.

Outlook

The Group is cautiously optimistic about the strength of the Hong Kong residential, commercial and industrial property markets, with its ongoing industrial property redevelopment projects remaining well placed to benefit from rising demand for commercial and industrial space outside the city's traditional CBD. It plans to launch the pre-sale of its second industrial redevelopment project in the West Kowloon area – a district that is currently experiencing rapid revitalisation – in order to take advantage of this trend.

The Group also remains confident about the long-term prospects of the U.S.A. and the U.K. property markets, despite ongoing risks associated with Brexit and other political events, as well as from increasing interest rates.

Prospects for the Group's construction and interior decorative materials business will continue to be supported by economic stimulus in the PRC, as well as other government efforts such as the Belt and Road Initiative, which should support the domestic construction industry, particularly in the second/third-tier cities and western regions of the PRC.

The Group will continue to thoughtfully evaluate new investment opportunities and leverage its experienced management team and business partners to further diversify the Group's investment portfolio, particularly in the U.S.A., while also developing its reputation as an asset manager.

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 2017, the Group's total debts (representing total interest-bearing bank borrowings) to total assets ratio was 22.0% (2016: 22.6%). The net gearing ratio (net debts, as defined by total debts less unrestricted bank deposits and cash, to equity attributable to equity shareholders of the Company) was 21.8% (2016: 29.2%) as the Group has net debts of HK$243 million as at 31 March 2017 (2016: HK$315 million).

At 31 March 2017, the Group has total bank borrowings of HK$367 million (2016: HK$447 million). The bank borrowings of the Group were mainly to finance the retaining two floors of Rykadan Capital Tower, Maple Street Project, the U.S.A. properties and Kailong Nanhui Business Park. Of the total bank borrowings, the bank loans of HK$317 million were secured by the properties for sale, investment properties and buildings held for own use of which HK$169 million will be repayable upon the completion of construction of properties. Further costs for developing Maple Street Project, the U.S.A. properties and Wing Hong Street Project will be financed by either unutilised banking facilities, deposits received from customers held as cash held by stakeholders designated for the projects or internally generated funds.

As at 31 March 2017, the Group's current assets and current liabilities were HK$979 million (2016: HK$1,356 million) and HK$377 million (2016: HK$695 million) respectively. The Group's current ratio increased to 2.60 (2016: 1.95). 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 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, 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$919,392,000 (2016: HK$1,133,042,000). The banking facilities were utilised to the extent of HK$319,066,000 as at 31 March 2017 (2016: HK$376,719,000). 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 2017, the total number of employees of the Group is 62 (31 March 2016: 67). The Group offers an attractive remuneration policy, including reward to employees on a performance basis with reference to market rate, and subsidies for job-related continuing education. Total remuneration for employees (including the directors' remuneration) was HK$51 million for the year (2016: HK$53 million).

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 2017 as set out in the preliminary announcement have been compared 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 2017 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 22 September 2017 to the shareholders of the Company whose names appear on the Company's register of members as at 21 September 2017.

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The 2017 annual general meeting (the "AGM") of the Company is scheduled to be held on 28 August 2017. 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, 24 August 2017 to Monday, 28 August 2017, 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 no later than 4:30 p.m. on Wednesday, 23 August 2017.

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, 14 September 2017 to Friday, 15 September 2017, 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, 13 September 2017.

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 nine board meetings held during the year ended 31 March 2017, two of which were regular meetings held for approving the final results for the year ended 31 March 2016 and the interim results for the period ended 30 September 2016. 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.

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 2017.

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 2017 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 2017 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, 14 June 2017

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.