

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



RYKADAN CAPITAL LIMITED

宏基資本有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2288)

DISCLOSEABLE TRANSACTION PROVISION OF FINANCIAL ASSISTANCE

PROVISION OF FINANCIAL ASSISTANCE

The Board is pleased to announce that on 16 April 2021 (Canada time 15 April 2021), the Lender, an indirect wholly-owned subsidiary of the Company, entered into the Loan Agreement with the Borrower and the Guarantors. Pursuant to the Loan Agreement, the Lender has agreed to grant the Loan in the principal amount of CAD6,400,000 (equivalent to HKD39,680,000) to the Borrower, subject to fulfilment of the conditions and upon the terms set out therein. The Loan is for a term of 12 months (subject to extension or renewal). The Borrower, the Personal Guarantors, the Corporate Guarantors (and its ultimate beneficial owners) are Independent Third Parties.

IMPLICATIONS UNDER THE LISTING RULES

As one or more percentage ratios (as defined under the Listing Rules) in respect of the amount of the Loan exceeds 5% but all such ratios are less than 25%, the grant of the Loan constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

PROVISION OF FINANCIAL ASSISTANCE

The Board is pleased to announce that on 16 April 2021 (Canada time 15 April 2021), the Lender, an indirect wholly-owned subsidiary of the Company, entered into the Loan Agreement, pursuant to which the Lender has agreed to grant the Loan in the principal amount of CAD6,400,000 (equivalent to HKD39,680,000) to the Borrower, subject to the fulfilment of the conditions and upon the terms set out therein. The Loan is for a term of 12 months (subject to extension or renewal) and is guaranteed by the Guarantors.

Summarised below are the principal terms of the Loan Agreement.

LOAN AGREEMENT

Date of agreement	:	15 April 2021 (Canada time)
Closing date	:	19 April 2021 (Canada time) or such other date as the Lender's solicitors may direct
Lender	:	Triple-I Capital Partners Limited
Borrower	:	12411300 Canada Inc.
Guarantors	:	(1) 7925395 Canada Corporation, (2) TS Pharmaceuticals Ltd., (3) Volodymyr Burko, and (4) Tacquinn David Soochan jointly and severally guaranteed the Loan
Principal	:	CAD6,400,000 (equivalent to HKD39,680,000)
Term	:	12 months from the closing date, such term is extendable or renewable for a period of one year at the sole and absolute discretion of the Lender upon request of the Borrower made at least sixty days prior to the maturity date, under the same terms and conditions except that during the extended or renewed term (i) there will be no requirement for prepayment of interest, and (ii) the Borrower will continue to have the right to prepay the principal amount of the Loan then outstanding in full
Interest rate	:	12.5% per annum on the principal amount of the Loan, calculated monthly (i.e. around CAD66,667 per month (equivalent to around HKD413,335))

- Interest reserve : Prepayment of interest for the first six months of the term of the Loan (i.e. CAD400,000 (equivalent to HKD2,480,000) in aggregate) to the Lender at closing by deduction from the amount to be advanced
- Securities : A first mortgage/charge of land in favour of the Lender against the Property, along with general security agreements to be registered in first position in accordance with the relevant law, including but not limited to the Equipment as stipulated in the Loan Agreement, and any further legal security as requested by the Lender or its solicitors in their sole and absolute discretion
- Repayment : The principal amount of the Loan is required to be repaid in full on the maturity date or is repayable in full, at the Lender's option, where there is any act or event of default by the Borrower under the terms of the Loan Agreement or security documentation in respect of the Loan
- Prepayment : Provided that there is no default by the Borrower under the Loan Agreement, if the whole of the principal amount outstanding is prepaid during the first six months of the term of the Loan, payment of three months' interest on the principal being paid as of the date of the prepayment to the Lender (as bonus and not as a penalty) is required.
- After the first six months of the term of the Loan, provided that there is no default by the Borrower under the Loan Agreement, prepayment of the whole of the principal amount outstanding is allowed and no bonus payment to the Lender is required
- Fees and taxes : The Borrower is responsible for the payment of certain taxes and fees, including without limitation, lender fees, brokerage fee, realty taxes with respect to the Property (together with any applicable penalties), legal costs of the Lender (plus applicable taxes) and other administrative and administration fees chargeable by the Lender
- Retainer fee : A non-refundable retainer fee of CAD5,000 (equivalent to HKD31,000) is payable to the Lender upon the execution of the Loan Agreement. Such retainer fee will be applied towards the lender fees upon closing

FUNDING OF THE LOAN

The Group will finance the Loan with its internal resources.

INFORMATION OF THE BORROWER AND THE GUARANTORS

The Borrower is a company incorporated in Canada for the purpose of holding the Property and the Equipment. The Corporate Guarantors are the only shareholders of the Borrower. 7925395 Canada Corporation (being one of the Corporate Guarantors) is principally engaging in the business of buying and selling pharmaceuticals and medical devices and is wholly-owned by Mr. Volodymyr Burko (being one of the Personal Guarantors). TS Pharmaceuticals Ltd. (being the other one of the Corporate Guarantors) is principally engaging in the business of buying and selling pharmaceuticals and medical devices and is wholly-owned by Mr. Tacquinn David Soochan (being the other one of the Personal Guarantors).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Borrower, the Corporate Guarantors and the Personal Guarantors (being the ultimate beneficial owners of the Borrower and the Corporate Guarantors) are Independent Third Parties and not connected with the Group.

INFORMATION OF THE GROUP AND THE LENDER

The Lender is a company incorporated in Canada, being an indirect wholly-owned subsidiary of the Company. The Group operates and invests in real estate development, real estate investment and distribution of building materials.

REASONS AND BENEFITS FOR ENTERING INTO THE LOAN AGREEMENT

The Property is a 2-storey commercial building with a total floor area of 18,201 square feet erected on a piece of land of a site area of 0.85 acres. The Borrower has informed the Lender that the Property is being acquired for its own use and it is currently in the process of applying for a mortgage loan from a bank in Canada which is not available in time to close its acquisition of the Property (together with the Equipment situated at the Property) and therefore the Borrower is required to obtain the Loan to bridge the gap.

The value of the Property as at 29 January 2021 as valued by an independent valuer was CAD7,300,000 (equivalent to HKD45,260,000). The Equipment was valued at between CAD4,250,000 to CAD4,500,000 (equivalent to HKD26,350,000 to HKD27,900,000) according to an appraisal report of an independent asset appraiser dated 12 January 2021.

Having considered (i) the value of the Property and the Equipment provided by the Borrower as securities, (ii) the terms of the Loan and (iii) the expected return on the Loan, the Directors are of the view that the advancement of the Loan will bring a stable interest income to the Group with an acceptable protection over the Group's interest over the Loan being lent.

The terms of the Loan Agreement (including the interest rate) were arrived at by the parties thereto after arm's length negotiations, with reference to prevailing commercial practice in the market concerned. The Directors consider that the terms of the Loan Agreement are on normal commercial terms and fair and reasonable and are in the interest of the Company and its Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more percentage ratios (as defined under the Listing Rules) in respect of the principal amount of the Loan exceeds 5% but all such ratios are less than 25%, the grant of the Loan constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Board”	the board of Directors
“Borrower”	12411300 Canada Inc., a company incorporated in Canada with limited liability
“CAD”	Canadian dollar, the lawful currency of Canada
“Company”	Rykadan Capital Limited, an exempt company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 2288)
“Corporate Guarantors”	(1) 7925395 Canada Corporation, and (2) TS Pharmaceuticals Ltd, both are incorporated in Canada
“Director(s)”	the director(s) of the Company
“Equipment”	the equipment/assets as more specifically identified in the Loan Agreement which are being acquired by the Borrower along with the Property
“Group”	the Company and its subsidiaries
“Guarantors”	the Personal Guarantors and the Corporate Guarantors

“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Parties”	parties who are independent of the Company and its connected person(s) (as defined in the Listing Rules)
“Lender”	Triple-I Capital Partners Limited, a company incorporated in Canada, being an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	the mortgage loan commitment dated 15 April 2021 (Canada time) entered into between the Lender as the lender, the Borrower as the borrower, and the Guarantors as the guarantors, principal terms of which are summarised in the section headed “Loan Agreement” in this announcement
“Loan”	the mortgage loan with the principal amount of CAD6,400,000 (equivalent to HKD39,680,000) granted by the Lender to the Borrower pursuant to the Loan Agreement
“Personal Guarantors”	(1) Volodymyr Burko, and (2) Tacquinn David Soochan
“Property”	237B Advance Blvd, Brampton, Ontario, Canada, L6T 4J2
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By Order of the Board
Rykadan Capital Limited
Chan William
Chairman and Chief Executive Officer

Hong Kong, 16 April 2021

Translations of CAD into HKD in this announcement are based on the exchange rate of CAD1.00 = HKD6.2. No representation is made that any amount of CAD or HKD can be or could have been converted at the relevant dates at such rate or any other rates or at all.

As at the date of this announcement, the Board comprises Mr. Chan William (Chairman and Chief Executive Officer) and Mr. Yip Chun Kwok (Chief Operating 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.