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## **RYKADAN CAPITAL LIMITED**

**宏基資本有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2288)**

### **DISCLOSURE PURSUANT TO RULES 13.14 AND 13.15 OF THE LISTING RULES**

To meet the working capital requirements of the Fastest Runner Group, the Group had from time to time provided financial assistance to the Fastest Runner Group. On 30 July 2021, the Group further advanced the New Advance to Fastest Runner which is non-interest bearing, unsecured and does not have a fixed term of repayment.

The advancement of the New Advance and the Additional Advances and the provision of the Company Guarantee constitutes “relevant advance to an entity” under Rule 13.11(2)(c) of the Listing Rules. As the aggregate amount of the New Advance, the Additional Advances and the amount guaranteed pursuant to the Company Guarantee is more than 3% under the assets ratio defined under Rule 14.07 of the Listing Rules, the Company is required to issue this announcement in accordance with Rules 13.14 and 13.15 of the Listing Rules.

### **BACKGROUND**

Fastest Runner, in which Divine Power and Rykadan Fund owns 20% and 80% of its issued share capital respectively, was established pursuant to the joint venture arrangement made between Divine Power and Rykadan Fund in 2017 and is engaging in the single purpose project of acquiring and redeveloping the Property for sale. Such joint venture arrangement is of a revenue nature in the ordinary and usual course of business of the Company.

## THE NEW ADVANCE

To meet the working capital requirements of the Fastest Runner Group, the Group had from time to time provided financial assistance to the Fastest Runner Group. On 30 July 2021, the Group further advanced the New Advance to Fastest Runner. The New Advance, in the principal amount of HK\$14,050,000, is non-interest bearing, unsecured and does not have a fixed term of repayment and was made pro rata to Divine Power's shareholding in Fastest Runner.

## ADVANCES TO THE FASTEST RUNNER GROUP

As disclosed in the Previous Announcement, an aggregate sum of HK\$164,800,000 had been advanced by the Company to Fastest Runner for the purpose of acquiring the Property, completion of the acquisition of which took place in December 2017.

Since the issue of the Previous Announcement and up to the date of this announcement, in addition to the New Advance, the Group had also on various dates advanced the following amounts to Fastest Runner (collectively referred to as the "Additional Advances"):

<b>Date of advancement</b>	<b>Principal amount advanced</b> <i>HK\$</i>
23 April 2018	1,750,000.00
20 July 2018	2,500,000.00
15 August 2018	500,000.00
27 November 2018	375,000.00
22 February 2019	2,000,000.00
20 June 2019	3,300,000.00
23 December 2019	4,080,000.00
19 February 2020	1,200,000.00
09 April 2020	2,000,000.00
22 July 2020	3,940,000.00
05 November 2020	4,870,000.00

\* *All principal amounts advanced as disclosed above are still outstanding as at the date of this announcement*

The Additional Advances are non-interest bearing, unsecured and do not have a fixed term of repayment. The Additional Advances were made pro rata to Divine Power's shareholding in Fastest Runner.

For the purpose of its application to the Lands Department of the Hong Kong Government for the pre-sale consent in relation to the Property, on 1 April 2020, Capital Universal (the wholly-owned subsidiary of Fastest Runner which owns the Property) obtained banking facility from United Overseas Bank Limited in connection with the issuance of performance guarantees/performance bonds/finance undertakings subject to a maximum outstanding amount of HK\$100,000,000 (the “**Facility**”). The Facility is secured by guarantee provided by each of the Company and Rykadan Fund. The Company Guarantee is for HK\$20,000,000 plus interest and other charges. No collateral was provided to the Company for the Company Guarantee.

The New Advance and the Additional Advances were financed by, and the Company will satisfy payment (if any) to be made pursuant to the Company Guarantee by utilizing, banking facilities and internally generated funds.

### **INFORMATION ON THE PARTIES**

The Company is an investment holding company and provides corporate management services. The Group operates and invests in real estate development, real estate investment and distribution of building materials.

Fastest Runner is an investment holding company.

Capital Universal is an indirect wholly-owned subsidiary of Fastest Runner and the owner of the Property. It is principally engaged in property development business.

### **LISTING RULES IMPLICATIONS**

The advancement of the New Advance and the Additional Advances and the provision of the Company Guarantee constitutes “relevant advance to an entity” under Rule 13.11(2)(c) of the Listing Rules. As the amount of the relevant advance to the Fastest Runner Group has increased from that as disclosed in the Previous Announcement and the assets ratio as defined under Rule 14.07 of the Listing Rules in respect of such increase is more than 3%, the Company is required to issue this announcement in accordance with Rules 13.14 and 13.15 of the Listing Rules.

## DEFINITIONS

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

“affiliated company”	has the meaning given to it in Rule 13.11(2)(a) of the Listing Rules
“Board”	the board of Directors
“Capital Universal”	Capital Universal Investment Limited 加宇投資有限公司, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Fastest Runner
“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)
“Company Guarantee”	the guarantee provided by the Company to United Overseas Bank Limited as security for the Facility pursuant to a letter of guarantee dated 1 April 2020
“Director(s)”	the director(s) of the Company
“Divine Power”	Divine Power Holdings Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Fastest Runner”	Fastest Runner Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and an affiliated company of the Company
“Fastest Runner Group”	Fastest Runner and its subsidiaries
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“New Advance”	an advance in the principal amount of HK\$14,050,000 advanced by the Company to Fastest Runner on 30 July 2021, such amount is non-interest bearing, unsecured and does not have a fixed repayment term
“Previous Announcement”	the announcement of the Company dated 5 December 2017 disclosing, among others, the particulars of the aggregate sum of HK\$164,800,000 advanced by the Company to Fastest Runner for the purpose of acquiring the Property
“Property”	the property located at No. 23 Wong Chuk Hang Road, Hong Kong
“Rykadan Fund”	Rykadan Real Estate Fund LP, an exempted limited partnership established and registered under the laws of the Cayman Islands and its general partner is Rykadan Real Estate Fund GP Limited, a company incorporated under the laws of the Cayman Islands, being an indirect wholly-owned subsidiary of the Company
“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, 30 July 2021

*As at the date of this announcement, the Board comprises Mr. CHAN Willian (Chairman and Chief Executive Officer), Mr. YIP Chun Kwok (Chief Operating Officer) and Mr. Lo Hoi Wah Heywood (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.*