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Lerado Financial Group Company Limited

隆成金融集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1225)

UPDATE ANNOUNCEMENT

This announcement is made pursuant to Rule 13.09 and Rule 13.24A of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of Lerado Financial Group Company Limited (the “**Company**”, which together with its subsidiaries, the “**Group**”) dated 5 June 2017, 6 June 2017 and 7 June 2017 in relation to, among other matters, the letter (the “**SFC Letter**”) dated 5 June 2017 issued by the Securities and Futures Commission of Hong Kong (the “**SFC**”) to the Company and the suspension of trading in shares of the Company, as well as the announcements of the Company dated 7 June 2017, 9 August 2017, 20 July 2018, 31 July 2018 and 7 November 2018.

BUSINESS OPERATIONS OF THE GROUP

The Company is an investment holding company. The Group is principally engaged in providing financial services including securities broking, margin financing and money lending etc., as well as manufacturing and distributing children plastic toys and medical care products like mobility aid and other medical equipment.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to provide the shareholders and potential investors of the Company with updates on the latest operation and financial status of the Group as at the date of this announcement.

The Group is carrying on its business as usual, and as stated in the interim report of the Company for the six months ended 30 June 2018, the total assets and the net assets value of the Group as at 30 June 2018 were approximately HK\$2,266 million and HK\$1,273 million, respectively. The Directors consider that there has been no material adverse change to the total assets and net asset value of the Group since 30 June 2018.

Meanwhile, the Company is in the process of finalising the annual results of the Group for the year ended 31 December 2018. The shareholders and potential investors of the Company should read the annual results announcement of the Group for the year ended 31 December 2018 carefully, which is expected to be published before the end of March 2019 with more details of its business operation.

Reference is also made to the circular of the Company dated 3 February 2017 in relation to the proposed joint venture (the “**Joint Venture**”) formation under the Mainland and Hong Kong Closer Economic Partnership Arrangement framework for the purpose of establishing a licensed corporation to provide full range of securities and financial services in the People’s Republic of China (the “**PRC**”). As at the date of this announcement, the formation of the Joint Venture is still in the process of application pending of the People’s Government of Guangdong Province’s written consent. Once the aforesaid written consent is obtained, the shareholders of the Joint Venture will submit the formal application to the China Securities Regulatory Commission of the PRC for the establishment of and the grant of regulatory licenses to the Joint Venture.

EXPECTED TIMETABLE

The Company also wishes to update that the independent committee of the Board (the “**IBC**”) established for the purpose of the independent investigation (the “**Independent Investigation**”) relating to the SFC Letter is reviewing with HLB Hodgson Impey Cheng Limited (“**HLB**”, which has been engaged for the Independent Investigation as regards the Independent Investigation. It is expected that the relevant findings of the Independent Investigation, if any, would be tabled before the Board for consideration and if necessary, action within the coming month. Thereafter, the Company would approach the relevant market regulators endeavouring to seek resumption of trading in Shares as soon as practicable.

Separately, on 7 January 2019, the Company further engaged HLB as its internal control adviser to conduct review of the Group’s internal control system which is expected to complete within 1 month from the date of this announcement.

The Company will make further announcement(s) in relation to further material developments of the above, if any. The Company will also inform the market of all material information for the shareholders and potential investors of the Company to appraise the Company’s position as and when appropriate in accordance with the Listing Rules.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 6 June 2017 and will remain suspended until further notice.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Lerado Financial Group Company Limited
Ho Kuan Lai
Executive Director

Hong Kong, 31 January 2019

As at the date of this announcement, the executive Directors are Mr. CHEN Chun Chieh, Ms. HO Kuan Lai and Mr. LEUNG Kam Por Ken; and the independent non-executive Directors are Mr. YU Tat Chi Michael, Mr. YANG Haihui and Mr. LAM Williamson.