

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.



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, 7 November 2018, 31 January 2019, 12 March 2019, 30 April 2019, 17 June 2019 and 1 August 2019.

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.

On 30 August 2019, the Company published its unaudited consolidated interim results for the six months ended 30 June 2019, and the related interim report was published on 26 September 2019 (the “**2019 Interim Report**”). As stated in the 2019 Interim Report, the total assets and the net asset value of the Group as at 30 June 2019 were approximately HK\$2,196 million and HK\$1,190 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 2019. Meanwhile, the Group is carrying on its businesses as usual and the loss for the six months ended 30 June 2019 was reduced to HK\$3 million as compared with the loss for the six months ended 30 June 2018 of HK\$23 million.

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 and the shareholders of the Joint Venture are still waiting for 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 wishes to update that based upon the review of the internal control system by HLB Hodgson Impey Cheng Limited (“**HLB**”, which was engaged as the internal control adviser to the Company), the Directors are adopting the recommendations by HLB. At the same time, the Directors are considering to re-engage HLB to have a follow up review on the effectiveness of the newly adopted system, and it is expected to be carried out within this year. The Company has also instructed legal advisers to take further actions based on the counsel’s views on possible actions made available for addressing the concerns raised by SFC, in view of HLB’s (in its capacity relating to the independent investigation carried out by the independent committee of the Board as regards the SFC Letter (the “**Independent Investigation**”) observations in the Independent Investigation. The said legal advisers have made further enquiries as advised by the counsel’s view and appropriate announcement would be made as and when there are new findings relevant to the enquiry.

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, 1 November 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.