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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)

2024 INTERIM RESULTS ANNOUNCEMENT

The board (the “**Board**”) of directors (the “**Directors**”) of Lerado Financial Group Company Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries for the six months ended 30 June 2024. This announcement, containing the full text of the 2024 Interim Report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) in relation to information to accompany preliminary announcement of interim results.

On behalf of the Board
Lerado Financial Group Company Limited
Ho Kuan Lai
Executive Director

Hong Kong, 30 August 2024

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.

INTERIM RESULTS

The board (the “Board”) of directors (the “Directors”) of Lerado Financial Group Company Limited (the “Company”) presents the unaudited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2024, along with the comparative figures and selected explanatory notes, which are prepared in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, and have been reviewed by the audit committee of the Company (the “Audit Committee”).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

		Six months ended 30 June	
	<i>Notes</i>	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
CONTINUING OPERATIONS:			
Revenue	3	96,750	79,802
Cost of inventories and services		(30,261)	(30,096)
		66,489	49,706
Other income		2,737	1,415
Other losses, net		(52,729)	(12,793)
Marketing and distribution costs		(6,708)	(6,951)
Administrative expenses		(31,507)	(20,820)
Share of profit of an associate		–	512
Finance cost		(13,396)	(30,318)
Loss before taxation		(35,114)	(19,249)
Income tax expenses	4	(29)	(1,024)
Loss for the period	5	(35,143)	(20,274)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Continued)

For the six months ended 30 June 2024

	Six months ended 30 June	
Notes	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Other comprehensive income/ (expense)		
<i>Item that may be subsequently reclassified to profit or loss:</i>		
Exchange differences arising from translation	(1,035)	4,667
Other comprehensive income/(expense) for the period	(1,035)	4,667
Total comprehensive expense for the period	(36,178)	(15,607)
Loss for the period attributable to:		
– Owners of the Company	(35,143)	(20,338)
– Non-controlling interests	–	64
	(35,143)	(20,274)
Total comprehensive expense for the period attributable to:		
– Owners of the Company	(36,178)	(15,671)
– Non-controlling interests	–	64
	(36,178)	(15,607)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Continued)

For the six months ended 30 June 2024

		Six months ended 30 June	
	Notes	2024 HK cents	2023 HK cents
Loss per share	7		
– basic		(15.26)	(8.83)
– diluted		(15.26)	(8.83)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Notes	30 June 2024 HK\$'000 (unaudited)	31 December 2023 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment		28,088	28,456
Right-of-use assets		11,879	12,510
Investment properties		21,157	21,157
Financial assets at fair value through profit or loss ("FVTPL")	9	13,626	13,626
Statutory deposits placed with clearing house		205	205
		74,955	75,954
Current assets			
Inventories		12,287	12,871
Trade and other receivables and prepayments	8	86,823	150,596
Loans receivables	8	848,499	896,812
Financial assets at FVTPL	9	66,772	105,176
Bank balances (trust and segregated accounts)		18,019	7,785
Bank balances (general accounts) and cash		132,573	127,822
		1,164,973	1,301,062

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

As at 30 June 2024

	Notes	30 June 2024 HK\$'000 (unaudited)	31 December 2023 HK\$'000 (audited)
Current liabilities			
Bonds		234,537	234,537
Trade and other payables and accruals	10	177,906	176,739
Lease liabilities		952	935
Tax payable		13,862	15,349
		427,257	427,560
Net current assets		737,716	873,502
Total assets less current liabilities		812,671	949,456
Capital and reserves			
Share capital	12	2,304	2,304
Reserves		390,099	426,277
		392,403	428,581
Non-controlling interests		(332)	(332)
Total equity		392,071	428,249
Non-current liabilities			
Bonds		405,659	505,710
Deferred tax liabilities		14,425	14,616
Lease liabilities		516	881
		420,600	521,207
Total equity and non-current liabilities		812,671	949,456

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to owners of the Company										Non-controlling interest	Total
	Share capital	Share premium	Special reserve	Property revaluation reserve	Translation reserve	Capital redemption reserve	Contributed surplus	Accumulated losses	Sub-Total			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
At 1 January 2024 (audited)	2,304	352,753	38,510	50,678	23,825	1,270	688,664	(729,423)	428,581	(332)	428,249	
(Loss) profit for the period	-	-	-	-	-	-	-	(35,143)	(35,143)	-	(35,143)	
Exchange differences arising from translation	-	-	-	-	(1,035)	-	-	-	(1,035)	-	(1,035)	
Total comprehensive income for the period	-	-	-	-	(1,035)	-	-	(35,143)	(36,178)	-	(36,178)	
At 30 June 2024 (unaudited)	2,304	352,753	38,510	50,678	22,790	1,270	688,664	(764,566)	392,403	(332)	392,071	

For the six months ended 30 June 2023

	Attributable to owners of the Company										Non-controlling interest	Total
	Share capital	Share premium	Special reserve	Property revaluation reserve	Translation reserve	Capital redemption reserve	Contributed surplus	Accumulated losses	Sub-Total			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
At 1 January 2023 (audited)	2,304	352,753	38,510	47,756	(138)	1,270	688,664	(449,957)	681,162	(403)	680,759	
(Loss) profit for the period	-	-	-	-	-	-	-	(20,338)	(20,338)	64	(20,274)	
Exchange differences arising from translation	-	-	-	-	4,667	-	-	-	4,667	-	4,667	
Total comprehensive income for the period	-	-	-	-	4,667	-	-	(20,338)	(15,671)	64	(15,607)	
At 30 June 2023 (unaudited)	2,304	352,753	38,510	47,756	4,529	1,270	688,664	(470,295)	665,491	(339)	665,152	

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Net cash from operating activities	105,666	18,569
Net cash from/(used) in investing activities	519	(14,781)
Net cash used in financing activities	(100,399)	(12,427)
Net increase/(decrease) in cash and cash equivalents	5,786	(8,639)
Cash and cash equivalents at 1 January	127,822	175,020
Effect of foreign exchange rate changes	(1,035)	4,759
Cash and cash equivalents at 30 June, represented by		
Bank balances and cash	132,573	171,140
	132,573	171,140

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the Hong Kong Accounting Standard (“HKAS”) 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as with the applicable disclosure requirements of Appendix D2 to the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies and methods of computation used in the preparation of unaudited condensed consolidated financial statements for the six months ended 30 June 2024 are consistent with those adopted in the preparation of 2023 annual report of the Company dated 28 March 2024 (the “Annual Report”) except for the adoption of the new and revised Hong Kong Financial Reporting Standards (the “New and Revised HKFRSs”) (which include add HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the HKICPA that are adopted for the first time for the current periods financial statements.

In preparing these condensed consolidated interim financial information, the significant judgements made by the management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to 2023 annual financial statements.

The HKICPA has issued a number of new or amendments to HKFRSs that are first effective for the current accounting period of the Group:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvement to HKAS Standards 2018–2020	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKAS 16 and HKAS 41

The adoption of these new or amendments to HKFRSs does not have any significant financial effect on the Group’s condensed consolidated interim financial information.

The Group has not adopted new or amendments to HKFRSs that have been issued but are not yet effective in advance. The Directors anticipate that the adoption of these new or amendments to HKFRSs will have no material impact on the results and financial position of the Group.

The unaudited condensed consolidated financial statements have not been audited by the Company's auditors, but have been reviewed by the Audit Committee.

3. REVENUE AND SEGMENT INFORMATION

The Group has adopted HKFRS 8 "Operating segments", which requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the "CODM") in order to allocate resources to the segment and to assess its performance. The Group's executive Directors are the CODM for the purposes of HKFRS 8 as it collectively makes strategic decisions in allocating the Group's resources and assessing performance.

For the segment reporting purpose to the CODM, the Group is currently organised into the following four operating and reportable segments:

Continuing operations

Medical products and plastic toys business	Manufacturing and distribution of medical care products and plastic toys
Securities brokerage business and assets management services	Securities brokerage, margin financing and underwriting and placements and provision of asset management services
Money lending business and other financial services	Provision of loan services and other financial services

The following is an analysis of the Group's revenue by major products and service categories for the period:

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Medical products	36,286	35,447
Plastic toys	1,812	1,852
Fee and commission income	572	197
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Revenue from contracts with customers	38,670	37,496
Interest income from loan receivables and finance lease receivables	58,080	42,306
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	96,750	79,802
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The following is an analysis of the Group's revenue and result by reportable and operating segment:

	Medical products and plastic toys business HK\$'000 (unaudited)	Securities brokerage business and assets management services HK\$'000 (unaudited)	Money lending business and other financial services HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
For the six months ended				
30 June 2024				
Segment revenue – external	38,098	9,897	48,755	96,750
Segment results	(6,742)	(3,275)	24,239	14,222
Change in fair value of:				
– financial asset at FVTPL				(43,230)
Property rental income				3,207
Gain on disposal of subsidiaries				-
Gain on disposal of discontinued operations				-
Unallocated corporate income				747
Unallocated corporate expenses				(10,089)
Loss before taxation				(35,143)

	Medical products and plastic toys business HK\$'000 (unaudited)	Securities brokerage business and assets management services HK\$'000 (unaudited)	Money lending business and other financial services HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
For the six months ended				
30 June 2023				
Segment revenue – external	37,299	10,669	31,834	79,802
Segment results	(11,750)	(25,270)	31,463	(5,557)
Change in fair value of:				
– financial asset at FVTPL				(15,374)
Realised gain of financial asset at FVTPL				2,625
Property rental income				323
Gain on disposal of subsidiaries				–
Gain on disposal of discontinued operations				–
Unallocated corporate income				1,092
Unallocated corporate expenses				(3,383)
Loss before taxation				(20,274)

4. INCOME TAX EXPENSES

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Current tax:		
Hong Kong	29	176
The People's Republic of China (the "PRC")		
Enterprise Income Tax	–	848
	29	1,024
Over provision in prior years	–	–
Profit Tax	29	1,024
Deferred tax:		
Current period	–	–
Income tax expense	29	1,024

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, the Hong Kong profits tax is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

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% from 1 January 2008 onwards.

5. LOSS FOR THE PERIOD

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Loss for the period has been arrived at after charging (crediting) the following items:		
Depreciation of property, plant and equipment	574	505
Depreciation – Right of used assets	1,004	576
Fair value change of financial asset at FVTPL	43,230	15,374
Impairment loss, net of reversal on trade and other receivable	–	948
Bank interest income	(725)	(536)
Finance cost		
– Bank overdrafts and loans	–	–
– Bond	13,361	30,261
– Lease liabilities	35	57

6. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2024 (2023: nil).

7. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Loss for the period attributable to owners of the Company, for the purpose of basic and diluted loss per share	(35,143)	(20,338)
	Number	Number
	of shares	of shares
Weighted average number of ordinary shares for the purpose of diluted loss per share	230,322,413	230,322,413

The computation of diluted loss per share for the six months ended 30 June 2024 and 2023 does not assume the exercise of the Company's options as the exercise would result in a decrease in loss per share.

8. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS AND LOANS RECEIVABLES AND FINANCE LEASE RECEIVABLES

Trade and other receivables and prepayments

	30 June 2024 HK\$'000	31 December 2023 HK\$'000
Trade receivables arising from: Medical products and plastic toys business (<i>Note a</i>)	21,953	16,954
Less: allowance for ECL	(2,853)	(2,853)
	19,100	14,101
Trade receivables arising from securities brokerage business (<i>Note b</i>):		
– Margin clients	175,448	184,962
– Clearing house	–	–
Less: allowance for ECL	(118,759)	(118,759)
	56,689	66,203
Total trade receivables	75,789	80,304
Purchase deposits, other receivables and deposits	5,548	27,048
Amount due from brokers	4,044	41,574
Prepayments	1,442	1,670
Total trade and other receivables and prepayments	86,823	150,596

- (a) The Group allows an average credit period of 60 days to its trade customers. The following is an aged analysis of trade receivables net of allowance for doubtful debts from medical products and plastic toys business and trading of garment presented based on the invoice date at the end of reporting period, which approximated the respective revenue recognition dates.

	30 June 2024 HK\$'000 (unaudited)	31 December 2023 HK\$'000 (audited)
Within 30 days	9,563	4,650
31 to 90 days	6,542	6,441
91 to 365 days	1,038	1,914
Over 365 days	1,957	1,096
	19,100	14,101

- (b) The normal settlement terms of trade receivable from cash clients and securities clearing house are two days after trade date.
- (c) In respect of trade receivables from cash clients, all of them are aged within 30 days (from settlement date) at the end of the reporting period. Margin loan receivables from margin clients are repayable on demand subsequent to settlement date. No ageing analysis is disclosed, as in the opinion of the Directors, the ageing analysis does not give additional value in view of the nature of business of securities margin financing.

Loans Receivables

	30 June 2024 HK\$'000	31 December 2023 HK\$'000
Loans receivables	978,564	1,049,055
Interest receivables	376,367	354,971
	1,354,931	1,404,026
Factoring loan receivables	6,440	5,658
	1,361,371	1,409,684
Loss allowance for ECL	(512,872)	(512,872)
	848,499	896,812

The total amounts of the loans receivables are repayable on demand or within one year from the end of the reporting period. Interest rate on the fixed rate loans receivables as at 30 June 2024 was ranged from 6% to 18% per annum (2023: from 6% to 18% per annum).

In determining the impairment of loans receivables from money lending business, the management considers the settlements subsequent to maturity of the relevant loans receivables and the estimated recoverable amount of the corresponding pledged assets of each borrower less cost to sell.

For the factoring loan receivables, the credit period granted to each of the customers is generally within one year. The effective interest rate of the above factoring loan receivables is ranging from 10% to 15% per-annum as at 30 June 2024.

9. FINANCIAL ASSET AT FVTPL

	30 June 2024 HK\$'000 (unaudited)	31 December 2023 HK\$'000 (audited)
Financial assets mandatorily at FVTPL:		
Listed securities held for trading:		
– Equity securities listed in Hong Kong	56,585	94,989
Unlisted equity fund	13,626	13,626
Unlisted debt securities	10,187	10,187
	80,398	118,802
Analysed for reporting purpose as:		
Current assets	66,772	105,176
Non-current assets	13,626	13,626
	80,398	118,802

The Group has recorded a loss on fair value changes of held-for-trading investments for the six months ended 30 June 2024 of approximately HK\$43.2 million (31 December 2023: HK\$14.0 million).

The fair value of measurement of the Group's listed securities held-for-trading investments were categorised into Level 1 and fair value have been determined by reference to the quoted market bid prices available on the relevant exchanges. The fair value of measurement of the Group's unlisted equity fund were categorised into Level 3 and fair value have been determined by reference to the adjusted net asset value. The fair value of measurement of the Group's unlisted debt securities were categorised into Level 3 and fair value have been determined by reference to the discounted cash flows with yield to maturity being the key input.

10. TRADE AND OTHER PAYABLES AND ACCRUALS

	30 June 2024 HK\$'000	31 December 2023 HK\$'000
Trade payables arising from medical products and plastic toys business and trading of garments	25,692	13,214
Trade payables arising from securities brokerage business		
– Cash clients	13,941	2,554
– Margin clients	4,073	5,226
– Clearing house	–	–
Total trade payables	43,706	20,994
Bond interest payables	88,304	74,908
Other payables and accruals	45,896	80,837
	177,906	176,739

The following is an aged analysis of trade payables from medical products and plastic toys business and trading of garments, presented based on invoice date at the end of the reporting period:

	30 June 2024 HK\$'000 (unaudited)	31 December 2023 HK\$'000 (audited)
Within 30 days	12,791	5,613
31 to 90 days	2,569	293
Over 90 days	10,332	7,308
	25,692	13,214

11. BORROWINGS/BOND

	30 June 2024 HK\$'000	31 December 2023 HK\$'000
Bonds, unsecured	640,196	740,247

As at 30 June 2024, the bonds are unsecured with maturity date falling on the eighth anniversary of the issue date. The interest rate of the bonds are fixed at 6% and the interest is paid annually.

12. SHARE CAPITAL

	30 June 2024 HK\$'000	31 December 2023 HK\$'000
Authorised		
500,000,000,000 ordinary shares	5,000,000	5,000,000
Issued ordinary shares		
As at 31 December 2022, 1 January 2023, 31 December 2023, 1 January 2024 and 30 June 2024	2,304	2,304
230,322,413 ordinary shares	2,304	2,304

13. RELATED PARTY DISCLOSURES

The transactions during the current interim period are as follows:

Compensation of key management personnel

The remuneration of Directors, who are the key management of the Group, during the period is as follows:

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Short-term employee benefits	1,229	840

The remuneration of Directors was decided by the Board, which is reviewed by the remuneration committee of the Company, having regard to the performance of the individuals and market trends.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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.

Medical Products and Plastic Toys Business

In terms of products, sales revenue from medical products for the six months ended 30 June 2024 was approximately HK\$36.3 million, representing an increase of approximately 2.4% as compared to the corresponding period in 2023. Sales revenue from plastic toys decreased by approximately 2.2% for the six months ended 30 June 2024 to approximately HK\$1.8 million, which was mainly due to the decrease in orders from the PRC customers.

Securities Brokerage, Margin Financing, Underwriting and Placements and Assets Management Business

Black Marble Securities Limited, a wholly-owned subsidiary of the Company (“Black Marble Securities”), had generated approximately HK\$9.9 million (2023: HK\$10.7 million) revenue for the six months ended 30 June 2024.

The Group wishes to provide a full range of financing services, such as assets management business and corporate finance business, to its clients other than only securities brokerage, underwriting and placements services and money lending business. However, the assets management business had not generated any revenue during the six months ended 30 June 2024 due to the weak market condition.

Money Lending and Finance Leasing

For the six months ended 30 June 2024, the Group continued with its money lending business in providing secured and unsecured loans to customers comprising individuals and corporations and commenced its finance lease business in the PRC. The Group had generated approximately HK\$48.8 million (2023: HK\$31.8 million) interest income for the six months ended 30 June 2024, representing approximately 50.4% of the total revenue of the Group. The Directors are of the view that such business will keep contributing an income stream to the Group.

PROSPECTS

The Group has endeavored to develop and expand the financial sectors, including, money lending business, financing leasing and securities brokerage business in Hong Kong and the PRC. In order to further expand the business, the Company will focus on the existing businesses and wish to participate in providing other financial services, including but not limited to providing corporate finance, asset management, financial planning services, which can leverage with the Group's existing financial sectors.

The Group will adopt cautious flexible strategy to face the market changes. Going forward, with a view to achieving better return and enhancing the expansion of the Group, the Group will keep focus on the existing business and look for potential investment opportunities to diversify its business scope and leverage with the Group's business.

We are committed to continuing in strengthening the corporate governance of the Group, and creating the greatest possible value for all the shareholders of the Company.

FINANCIAL REVIEW

Consolidated revenue for the six months ended 30 June 2024 was approximately HK\$96.8 million (2023: HK\$79.8 million), representing an increase of approximately 21.2% over the corresponding period in 2023. The increase in the consolidated revenue was mainly due to the increase of interest income from loan receivables and finance leases receivables, of which the increment was approximately HK\$15.8 million.

Gross profit margin for the six months ended 30 June 2024 was approximately 68.7%, representing an increase of HK\$16.8 million as compared to the gross profit of HK\$49.7 million for the six months ended 30 June 2023. It was mainly because the increase of revenue generated from the increase of interest income from loan receivable and finance leases receivable.

Loss for the six months ended 30 June 2024 was approximately HK\$35.1 million (2023: HK\$19.3 million) and loss for the period attributable to owners of the Company was approximately HK\$35.1 million (2023: HK\$20.3 million). The decline in the financial performance was mainly attributable to the loss recognised on fair value changes of financial assets at FVTPL of HK\$43.2 million in 2024 which were recognised in other gains and losses.

LIQUIDITY AND FINANCIAL RESOURCES

The Group adopts a conservative policy in its financial management and maintains a solid financial position. Cash and cash equivalents of the Group as at 30 June 2024 increased by approximately HK\$4.8 million to approximately HK\$132.6 million as compared to approximately HK\$127.8 million as at 31 December 2023. As at 30 June 2024, the Group had bank borrowings of approximately HK\$nil (2023: Nil), and bond payable of approximately HK\$640.2 million (2023: HK\$740.2 million). As at 30 June 2024, the Group had net current assets of approximately HK\$737.7 million (2023: HK\$873.5 million) and a current ratio of approximately 2.7 (2023: 3.0). The Group's gearing ratio as at 30 June 2024 was approximately 163.3% (2023: 172.9%). The gearing ratio was computed by the total borrowing and bonds payable over the equity of the Group.

SIGNIFICANT INVESTMENTS

Since there were no held-for-trading investments and other investments held by the Group valued more than 5% of the total assets of the Group as at 30 June 2024, there were no significant investments held by the Group as at 30 June 2024. Details of the held-for-trading investments held by the Group and the fair value changes of the held-for-trading investments for the six months ended 30 June 2024 are set out in note 9 to the financial statements of the Group for the six months ended 30 June 2024.

PLEDGE OF ASSETS

The Group did not have any pledged assets as at 30 June 2024 (31 December 2023: nil).

EXCHANGE RISK EXPOSURE

The Group's monetary assets, liabilities and transactions are mainly denominated in United States dollar, Renminbi, Hong Kong dollar, Euro and New Taiwan dollar. In the event that Renminbi appreciates, the Group will be affected directly because a certain extent of business of the Group is in the PRC. Although the Group currently does not maintain any hedging policy to hedge against foreign exchange exposure that may arise from the above transactions, the management team continuously assesses the foreign currency exposure, with an aim to minimize the impact of foreign exchange fluctuation on the Group's business operations.

EQUITY PRICE RISK EXPOSURE

The Group is exposed to equity price risk through its investments in listed securities. Although the Group currently does not maintain any hedging policy to hedge against the equity price risk, the management team manages this exposure by monitoring the price movements and the changes in market conditions that may affect the value of the investments and will consider taking appropriate actions to minimize the risk.

CONTINGENT LIABILITY

As at 30 June 2024, the Company did not have any significant contingent liabilities.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2024, the Group employed a total workforce of 159 staff members, of which 146 worked in the PRC and the remaining in Hong Kong.

Apart from basic salaries, discretionary bonus and contribution to retirement benefits schemes, share options may also be granted to staff with reference to the individual's performance. Moreover, the Group also provides internal and external training to its staff to enable them to achieve self-improvement and to enhance their job related skills.

INTERIM DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2024 (2023: nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2024, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

SHARE OPTION SCHEME

On 29 June 2022, a share option scheme (the "2022 Share Option Scheme") has been adopted by the shareholders of the Company at annual general meeting under which the Directors may, at their discretion, grant share options to eligible persons.

During the six months ended 30 June 2024, no share options were granted, exercised, lapsed nor cancelled under the 2022 Share Option Scheme. As at 30 June 2024, there was no outstanding share options under the 2022 Share Option Scheme. The number of options available for grant under the Share Option Scheme as of 1 January 2024 and 30 June 2024 was 23,032,241.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group had no specific plan for material investments or capital assets as at 30 June 2024.

MATERIAL ACQUISITION AND DISPOSAL

The Group had no material acquisition nor disposal during the six months ended 30 June 2024.

EVENTS AFTER THE REPORTING PERIOD

There was no significant event after the six months ended 30 June 2024 and up to the date of this report.

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2024, none of the Directors, Supervisor or the chief executive of the Company had interests or short positions in the shares, underlying shares and/or debentures (as the case may be) of the Company or its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (the "SFO") which shall be recorded and maintained in the register pursuant to section 352 of the SFO, or which shall be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "Model Code").

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2024, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of Directors, the following Shareholders had notified the Company of relevant interests in the issued share capital of the Company.

Long position in shares and underlying shares of the Company

Name of shareholder	Nature of interest	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Opus Platinum Growth Fund	Beneficial owner	18,000,000	7.82%
Mr. Lai Shu Fun, Francis Alvin (Note 1)	Interest in Controlled Corporation	18,000,000	7.82%

Note:

- (1) Mr. Lai Shu Fun, Francis Alvin is indirectly interested in approximately 40.03% of the total issued share capital of Opus Platinum Growth Fund. Therefore Mr. Lai Shu Fun, Francis Alvin is deemed to be interested in the 18,000,000 shares held by Opus Platinum Growth Fund.

Other than as disclosed above, the Company has not been notified of any other relevant interests or short position in the issued share capital of the Company as at 30 June 2024.

CORPORATE GOVERNANCE CODE

The Directors consider that the Company had complied with Corporate Governance Code (the “Code”) as set out in Appendix C1 to the Listing Rules throughout the six months ended 30 June 2024.

AUDIT COMMITTEE

The Audit Committee, comprising the three independent non-executive Directors, namely Mr. YU Tat Chi Michael (the chairman), Mr. YANG Haihui and Mr. LAM Williamson, has reviewed the accounting principles and practices adopted by the Company and has discussed auditing, internal control and financial reporting matters. The Audit Committee has reviewed the Group’s unaudited condensed consolidated financial statements for the six months ended 30 June 2024.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted a code for securities transactions by the Directors on terms equivalent to the required standard of the Model Code. All Directors have confirmed, that following specific enquiry made by the Company, they fully complied with the required standard as set out in the Model Code for the six months ended 30 June 2024.

On behalf of the Board
Lerado Financial Group Company Limited
HO Kuan Lai
Executive Director

Hong Kong, 30 August 2024

As at the date of this report, 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.