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LERADO GROUP (HOLDING) COMPANY LIMITED

(隆成集團(控股)有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1225)

**DISCLOSABLE TRANSACTION INVOLVING ISSUE OF SHARES UNDER
GENERAL MANDATE**

On 31 March 2015 (after trading hours), Perfect Scheme Limited, a wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares, representing 100% of the issued share capital of Garron International, and the Sale Loan free from Encumbrances at the Consideration of HK\$39,000,000, which will be satisfied by (i) paying HK\$1,000,000 in the form of cash in favour of the Vendor upon signing the Agreement as the refundable deposit; and (ii) the balance of the Consideration is to be paid by allotment and issue of the Consideration Shares. The Vendor will procure the allotment and issue of the Consideration Shares by the Company as fully paid at HK\$0.50 per Consideration Share on Completion.

As the applicable percentage ratios under Chapter 14 of the Listing Rules in respect of the acquisition exceed 5% but less than 25%, the acquisition constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

THE AGREEMENT

Date

31 March 2015 (after trading hours)

Parties

- (i) The Purchaser
- (ii) The Vendor

Garron International is a wholly-owned subsidiary of the Vendor. The Vendor, China Investment and Finance Group Limited is a company listed on the main board of the Stock Exchange and is principally engaged in securities trading and investment holding.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Vendor is not a connected person of the Company.

Subject matter

The Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares and the Sale Loan at HK\$39,000,000.

The Sale Shares represent 100% interest in the issued share capital of Garron International.

The Property is wholly-owned by 廣州凱潤, which is a wholly-owned subsidiary of Garron International.

Consideration

The Consideration for the sale and purchase of the Sale Shares and the Sale Loan payable by the Purchaser to the Vendor shall be the sum of Hong Kong Dollars Thirty Nine Million (HK\$39,000,000), which will be settled by (i) paying HK\$1,000,000 in the form of cash in favour of the Vendor upon signing the Agreement as the refundable deposit, and (ii) the balance of the Consideration is to be paid by allotment and issue of the Consideration Shares. The Vendor will procure the allotment and issue of the Consideration Shares by the Company as fully paid at HK\$0.50 per Consideration Share on Completion.

The Consideration Shares will be issued pursuant to the General Mandate granted to the Directors at the Company's annual general meeting held on 23 May 2014. An application will be made by the Company to the Stock Exchange for the approval for the listing of, and permission to deal in, the Consideration Shares.

The total number of the Consideration shares represent approximately 9.43% of the issued share capital of the Company as at the date of this announcement and represent approximately 8.62% of the Company's issued share capital as enlarged by the issue of the Consideration Shares.

The Consideration was determined based on arm's length negotiation between among the Company and the parties with reference to (i) the cash in hand of 廣州凱潤's audited report as at 31 December 2013 approximately RMB3.0 million (approximately HK\$3.8 million); (ii) the independent property valuation in the amount of RMB32 million (approximately HK\$40.3 million) as at 24 March 2015; and (iii) the Sale Loan.

The Vendor shall waive the Sale Loan with Garron International and free from all Encumbrances upon Completion.

Conditions precedent

Completion is conditional upon fulfilment of the following Conditions:

- (a) Completion of the due diligence exercise on Garron International to the reasonable satisfaction of the Purchaser that the warranties are true and correct in all material respects;
- (b) The passing of the resolution(s) by the shareholder(s) and the shareholders of the ultimate holding company of the Purchaser or the Vendor in accordance with the Listing Rules (if required) to approve this Agreement and the transactions contemplated hereunder;
- (c) All other requisite consents, authorisations and approvals (or, as the case may be, the relevant waiver) in connection with the entering into and performance of the terms of this Agreement having been obtained by the respective Parties (including but not limited to the necessary consent from the Stock Exchange, if any); and
- (d) None of the Warranties and other provisions of this Agreement having been breached in any material respect (or, if capable of being remedied, has not been remedied), or (in respect of any of the Warranties) is misleading or untrue in any material respect.

The Purchasers may, at its absolute discretion, waive any of the Conditions (except the Condition set out in above clauses (b) & (c) which cannot be waived if so required). Each of the Purchaser and the Vendor shall use their respective best endeavours to procure the fulfilment of all the Conditions. If all the Conditions shall not have been fulfilled or waived within thirty days hereof, this Agreement shall be terminated forthwith (save for specific Clauses) and each Party shall have no liability to the other Party save and except for any antecedent breaches of the terms hereof.

Completion

Subject to the Conditions precedent, Completion shall take place on the Completion Date.

Reasons for the acquisition

The existing major businesses of the Company are medical products business and plastic toys business. As disclosed in the circular of the Company dated 28 August 2014, the Company will explore opportunities to create synergistic effects with the medical products business and plastic toys business.

The Company will have the wholly-ownership of the Property through acquiring Garron International. The Property is situated in the core economic section of Guangzhou with enclosing 150,000 square meters, and with 300,000 square meters of gross construction area, 45 office towers and plenty of famous brand shops, and the Property to be acquired by the Purchaser has enclosed more than 2,200 square meters. The intent of the acquisition includes i) establish a platform for domestic PRC business and market; ii) to pave the way for entering Guangzhou market; iii) provide national training centre to internal staff and external distributors, and iv) international marketing & training centre.

As at the date of this announcement, as the application percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

To the best knowledge, information and belief of the Directors after making all reasonable enquiries, none of the Directors are in any way materially interested in the acquisition. The Directors are of the view that the terms of the Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Information of the Company

The Company is principally engaged in manufacture and distribution of toys and medical products.

Terms used in this announcement

Terms or expressions used in this announcement shall, unless the context otherwise requires, have the meanings ascribed to them below:

“廣州凱潤”	廣州凱潤企業管理服務有限公司, a company incorporated in PRC and a wholly-owned subsidiary of Garron International as at the date of this announcement
“Consideration”	the total consideration of HK\$39,000,000 payable by the Purchaser to the Vendor for the Acquisition pursuant to the Agreement
“Consideration Shares”	76,000,000 Shares to be issued by the Company to the Vendor (or to his nominee as he may direct) as part of the consideration
“Company”	Lerado Group (Holding) Company Limited, a company incorporated in Bermuda, the shares of which are listed on the main board of the Stock Exchange
“Completion”	Completion of the sale and purchase of the Sale Shares and the Sale Loan in accordance with the Agreement
“Completion Date”	the fourteenth Business Day after the fulfillment or waiver of the Conditions or such other date as the Parties may agree from time to time
“Director(s)”	the director(s) of the Company
“encumbrance”	any form of interest (whether legal, equitable or security) of any person (including, without limitation, any right to acquire, option, right of pre-emption or right of conversion) or any claim, mortgage, charge, pledge, debenture, lien, option, equity, power of sale, hypothecation, restriction, assignment, right of first refusal, right of pre-emption, any preference arrangements (including title transfers and title retention arrangements or otherwise), third-party right or interest, interest bearing debt or any other encumbrance, priority or security interest, claim, agreement or arrangement of whatever nature over or in the relevant property and “ encumber ” shall be construed accordingly
“Garron International”	Garron International Strategic Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Vendor as at the date of this announcement
“General Mandate”	the general mandate granted to the Directors by the shareholders of the

Company at the annual general meeting held on 23 May 2014 to allot and issue up to 151,175,344 new Shares

“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“PRC”	the People’s Republic of China
“Property”	the Levels 1 to 4, No.11 Kehui 4th Street, Development Zone, Guangzhou, Guangdong, PRC
“Purchaser”	Perfect Scheme Limited, a company incorporated in British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company as at the date of this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	100 shares representing 100% of the entire issued share capital of Garron International immediately before Completion
"Sale Loan"	represents the obligations, liabilities and debts owing by or due from the Garron International to the Vendor as at the Completion Date. As at the date of the Agreement, the Company was indebted to the Vendor in the amount shall not be less than HK\$37,895,971 and not more than HK\$ 38,000,000 as at Completion Date based on the statement of financial position of the Completion Accounts
“Share(s)”	ordinary issued share(s) of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	China Investment and Finance Group Limited, a company incorporated in Cayman Islands, the shares of which are listed on the main board of the Stock Exchange
“%”	per cent.

By order of the Board
Lerado Group (Holding) Company Limited
Huang Ying Yuan
Chairman

Hong Kong, 31 March 2015

As at the date of this announcement, the executive Directors of the Company are Mr. HUANG Ying Yuan, Mr. CHEN Chun Chieh, Mr. HUANG Shen Kai and Mr. LAI Kin Chung Kenneth; and the independent non-executive Directors of the Company are Mr. MAK Kwong Yiu, Mr. YE Jianxin and Mr. CHERN Shyh Feng.

** For identification purposes only.*