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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)**

### **DISCLOSEABLE TRANSACTION SUBSCRIPTION OF NEW SHARES**

On 21 May 2015 (after trading hours), Wonder Time, a wholly-owned subsidiary of the Company, entered into the Subscription Agreement with CIFG, pursuant to which Wonder Time has conditionally agreed to subscribe for and CIFG has conditionally agreed to allot and issue the Subscription Shares, being 130,000,000 new shares and representing approximately 12.44% of the total issued share capital of CIFG as enlarged by the Subscription Shares for consideration of HK\$35.75 million.

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 SUBSCRIPTION AGREEMENT**

### **Date**

21 May 2015 (after trading hours)

### **Parties**

- (i) Wonder Time
- (ii) CIFG

Wonder Time is a wholly-owned subsidiary of the Company. CIFG, 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, CIFG and its subsidiaries are interested in 76,000,000 shares of the Company, representing approximately 8.59% of issued share capital of the Company, as at the date of this announcement. Save as disclosed above, each of CIFG and its ultimate beneficial owner is not a connected person of the Company.

### **Subscription Shares**

Pursuant to the Subscription Agreement, Wonder Time has conditionally agreed to subscribe and CIFG has conditionally agreed to allot and issue Subscription Shares. The 130,000,000 Subscription Shares (of an aggregate nominal value of HK\$1,300,000) to be allotted and issued under the Subscription represent (i) approximately 14.20% of the issued share capital of CIFG as at the date of this announcement; and (ii) approximately 12.44% of the issued share capital of CIFG as enlarged by the issued of the Subscription Shares (assuming that there is no change in the issued share capital of CIFG from the date of this announcement and up to Completion (other than as a result of the allotment and issue of the Subscription Shares on Completion)).

### **Consideration**

The total consideration of HK\$35.75 million shall be payable by the Wonder Time in cash on Completion. The subscription price of HK\$ 0.275 per Subscription Share was determined after arm's length negotiation between the Parties with reference to the net asset value of CIFG immediately upon Completion.

The payment for the Consideration will be funded by the Company.

### **Conditions precedent**

Completion of the Subscription shall be subject to the following conditions being satisfied:

- (a) the Stock Exchange granting the approval for the listing of, and permission to deal in, the Subscription Shares;
- (b) the compliance with the applicable requirements under the Listing Rules by the CIFG; and
- (c) all the representations, warranties and undertakings given by Wonder Time in the Subscription Agreement remaining true, accurate and not misleading in all respects.

CIFG has the right to waive the condition specified in paragraph (c) in part or in full and none of the conditions set out above is waivable by Wonder Time.

If the conditions set out above have not been satisfied and/or waived (where applicable) (other than as a result of the default of CIFG and/or, as the case may be, Wonder Time) at or before 5:00 p.m. on the Long Stop Date, the Subscription Agreement shall cease and determine (save and except for the provisions governing the confidentiality obligations and other miscellaneous provisions which shall continue to have full force and effect) and thereafter neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms of the Subscription Agreement.

## Completion Date

Completion shall take place on the fifth business day after the satisfaction of all the conditions precedent referred to above (or such other date as may be agreed by the Parties in writing).

## Financial Information of CIFG

The financial information of CIFG is set out below:

	For the year ended 31 March 2014 (audited) HK\$'000	For the six months ended 30 September 2014 (unaudited) HK\$'000
(Loss)/Profit before tax for the year/period	(93,562)	(5,954)
(Loss)/Profit after tax for the year/period	(93,562)	(5,954)

The unaudited net asset value as at 30 September 2014 and audited net asset value as at 31 March 2014 of CIFG were approximately HK\$500 million and HK\$488 million respectively.

## Reasons for the Subscription

Reference is made to the announcement of the Company dated 17 April 2015 in relation to use of proceeds from the Disposal. In order to diversify the business opportunities, the Company would like to re-allocate approximately HK\$300.0 million for the businesses of securities trading, money lending business, other financial investment and property investment and development.

Investing CIFG can help the Company diversify an investment portfolio as CIFG is mainly engaged in securities trading and investment holding.

Besides, according to the announcement of CIFG dated 14 May 2015 in relation to net asset value per share, the unaudited consolidated net asset value per share of CIFG was approximately HK\$0.83. Therefore, there is a considerable discount of Subscription Price to net asset value per share.

The Directors believe that the Subscription will not have any adverse financial impact on the Group.

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 Subscription exceeds 5% but is less than 25%, the Subscription 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 Subscription. The Directors are of the view that the terms of the Subscription 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:

<b>“CIFG”</b>	China Investment and Finance Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
<b>“Consideration”</b>	the total consideration of HK\$35.75 million payable by Wonder Time to CIFG for the Subscription
<b>“Company”</b>	Lerado Group (Holding) Company Limited, a company incorporated in Bermuda, the shares of which are listed on the main board of the Stock Exchange
<b>“Completion”</b>	Completion of the Subscription
<b>“Completion Date”</b>	the date on which the Completion shall take place and such day shall fall on the fifth business day after the satisfaction of all the conditions precedent as set out in the Subscription Agreement (or such other date as may be agreed by the Parties in writing)
<b>“connected person(s)”</b>	has the meaning ascribed thereto under the Listing Rules
<b>“Director(s)”</b>	the director(s) of the Company
<b>“Group”</b>	the Company and its subsidiaries
<b>“Hong Kong”</b>	The Hong Kong Special Administrative Region of PRC
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange
<b>“Long Stop Date”</b>	30 June 2015 (or such other date as the Parties may agree in writing)
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“Subscription”</b>	the subscription of the Subscription Shares by Wonder Time pursuant to the Subscription Agreement
<b>“Subscription Agreement”</b>	the subscription agreement dated 21 May 2015 entered into between Wonder Time and CIFG in relation to the Subscription

<b>“Subscription Price”</b>	the subscription price of HK\$0.275 per Subscription Share
<b>“Subscription Shares”</b>	130,000,000 new shares to be allotted and issued under the Subscription Agreement by CIFG to Wonder Time upon Completion
<b>“Wonder Time”</b>	Wonder Time Holdings Limited, a company incorporated in British Virgin Islands and a wholly-owned subsidiary of the Company as at the date of this announcement
<b>“%”</b>	per cent.

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

Hong Kong, 21 May 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.*