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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)

DISCLOSEABLE TRANSACTION DISPOSAL OF LISTED SECURITIES

The Group disposed on-market of a total of 1,479,225,000 China Jicheng Shares on 27 June 2017, at an average price of HK\$0.0169 per China Jicheng Share for a gross sale proceeds of approximately HK\$24.96 million.

The Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, as one or more of the applicable percentage ratios exceed 5% but are less than 25%.

THE DISPOSAL

The Group disposed on-market of a total of 1,479,225,000 China Jicheng Shares on 27 June 2017, at an average price of HK\$0.0169 per China Jicheng Share for a gross sale proceeds of approximately HK\$24.96 million.

As the Disposal was made on the market, the Company is not aware of the identities of the purchasers of the China Jicheng Shares. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the purchasers of the China Jicheng Shares and their ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Assets disposed

The Group disposed of 1,479,225,000 China Jicheng Shares, representing approximately 2% of the issued share capital of China Jicheng (based on the 75,000,000,000 China Jicheng Shares as at 31 May 2017 according to publicly available information).

Consideration

The gross sale proceeds of the Disposal are approximately HK\$24.96 million, which are receivable in cash on settlement. The gross sale proceeds for the Disposal represented the market price of the China Jicheng Shares at the time of the Disposal.

REASONS FOR AND BENEFITS OF THE DISPOSAL

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 Company acquired the China Jicheng Shares for investment purpose. As of the date of this announcement, the trading price of China Jicheng Shares was extremely volatile during the trading hours. Having considered the market conditions and the trading price of China Jicheng Shares may continue to be volatile, the Board decided to sell all the China Jicheng Shares. Despite the fact that there is a substantial loss in disposal of approximately HK\$254.6 million compared with the fair value of China Jicheng Shares held by the Group as at 31 December 2016, the Board considers that the Disposal will allow the Group to recognize a gain of approximately HK\$12.0 million which is calculated on the basis of the difference between the acquisition cost and the gross sale proceeds. The proceeds of the Disposal will be used by the Company for general working capital. The Disposal was made at market price and the Board is of the view that the Disposal is on normal commercial terms, and that the terms are fair, reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION ON CHINA JICHENG

China Jicheng is a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 1027). China Jicheng is principally engaged in the manufacturing and sale of POE umbrellas, nylon umbrellas and umbrella parts such as plastic cloth and shaft.

The following financial information is extracted from the public documents of China Jicheng:

	For the year ended	
	31 December	
	2016	2015
	(audited)	(audited)
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	603,985	657,667
Profit before taxation	13,514	50,033
Profit after taxation	6,124	25,229

Based on the public documents of China Jicheng, the consolidated net asset value and the consolidated total asset of China Jicheng as at 31 December 2016 were RMB430.1 million and RMB713.3 million respectively.

GENERAL

The Disposal constitutes a discloseable transaction of the Company as one or more of the applicable percentage ratios exceed 5% but are less than 25%, and is therefore subject to the relevant reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Board”	the board of Directors
“China Jicheng”	China Jicheng Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 1027)
“China Jicheng Share(s)”	shares of China Jicheng
“Company”	Lerado Financial Group Company Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the Main Board of the Stock Exchange
“Director(s)”	director(s) of the Company
“Disposal”	the disposal by the Company, through its subsidiary, of a total of 1,479,225,000 China Jicheng Shares on the market on 27 June 2017 for a gross sale proceeds of approximately HK\$24.96 million
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	as defined in the Listing Rules
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent

On behalf of the Board
Lerado Financial Group Company Limited
Mak Kwong Yiu
Chairman

Hong Kong, 27 June 2017

As at the date of this announcement, the executive Directors are Mr. MAK Kwong Yiu (Chairman and Chief Executive Officer), Mr. HUANG Ying Yuan (Honorary Chairman), Mr. CHEN Chun Chieh, Mr. HUANG Shen Kai and Mr. LAI Kin Chung, Kenneth; and the independent non-executive Directors are Mr. LAM Chak Man, Mr. YE Jianxin, Mr. CHERN Shyh Feng and Mr. HSU Hong Te.