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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 PROVISION OF LOAN**

The Board announces that on 22 October 2021 (after trading hours), the Lender, an indirect wholly-owned subsidiary of the Company, entered into the Loan Agreement with the Borrower, pursuant to which the Lender has agreed to provide the Loan in the principal amount of HK\$10,000,000 to the Borrower.

As the applicable percentage ratios under Chapter 14 of the Listing Rules in respect of the entering into of the Loan Agreement exceed 5% but are less than 25%, the entering into of the Loan Agreement constitutes a discloseable transaction of the Company under the Chapter 14 of the Listing Rules.

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The principal terms of the Loan Agreement are set out below:

### **THE LOAN AGREEMENT**

#### **Parties**

Lender : Lerado Finance Limited

Borrower : Dr. Chan Man Fung (“Dr. Chan”).

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Borrower is a third party independent from the Company and its connected person(s) (as defined under the Listing Rules).

### **Principal terms of the Loan Agreement**

Date	:	22 October 2021
Term	:	a period of 2 months
Principal amount	:	HK\$10,000,000
Repayment	:	2 months upon drawdown
Early repayment	:	the Borrower may repay the principal amount of the Loan in full and pay the accrued interest and (if any) all further sum payable by the Borrower under the Loan Agreement by giving prior written notice to the Lender pursuant to the Loan Agreement
Interest	:	18% per annum, payable on a monthly basis
Security for the Loan:	:	no security is provided by the Borrower

### **REASONS FOR ENTERING INTO THE LOAN AGREEMENT**

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., and manufacturing and distributing children plastic toys and medical care products like mobility aid and other medical equipment.

The Lender is a registered money lender holding a valid money lenders license under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong), and is principally engaged in the business of money lending services. The provision of the Loan is a transaction carried out as part of the ordinary and usual course of business activities of the Lender and generate a stable revenue and cash flow stream to the Group from interest income. The Loan will be funded by internal resources of the Group.

The Loan Agreement was arrived at after arm's length negotiations between the Lender and the Borrower, having taken into account the interest income to the Lender. Having reviewed the background, income status and repayment ability of the Borrower, the Group considered that it had performed adequate thorough review based on its loan approval procedures before granting the Loan. The Directors are of the view that the provision of the Loan under the Loan Agreement is on normal commercial terms based on the Group's internal credit policy, which is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **Information on the Borrower**

Dr. Chan is the substantial shareholder, co-chairman and executive director of a company, the shares of which are listed on GEM of the Stock Exchange. Dr. Chan was a licensed person for types 1, 2, 4 and 9 regulated activities under the SFO and currently is the director and the substantial shareholder of a corporation licensed by the SFC to carry out type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO. Dr. Chan is a merchant having businesses and investments in Hong Kong and the PRC.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquires, Dr. Chan is a third party independent from the Company and its connected persons (as defined under the Listing Rules).

## **LISTING RULES IMPLICATIONS**

As the applicable percentage ratios under Chapter 14 of the Listing Rules in respect of the entering into of the Loan Agreement exceed 5% but are less than 25%, the entering into of the Loan Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

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

“Board”	the board of Directors
“Borrower”	Dr. Chan Man Fung
“Company”	Lerado Finance Group Company Limited, a company incorporated in Bermuda, the shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“GEM”	GEM operated by the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Lender”	Lerado Finance Limited, an indirect wholly-owned subsidiary of the Company and a licensed money lender under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong)

“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan in the amount of up to HK\$10,000,000 granted by the Lender to the Borrower pursuant to the terms of the Loan Agreement
“Loan Agreement”	the loan agreement dated 22 October 2021 entered into between the Lender and the Borrower in relation to the provision of the Loan
“PRC”	the People’s Republic of China
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board  
**Lerado Financial Group Company Limited**  
**Ho Kuan Lai**  
*Executive Director*

Hong Kong, 22 October 2021

*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.*