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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)

### CLARIFICATION ANNOUNCEMENT

The Board noted the Articles regarding the estimated gross profit of the Company.

As disclosed in the Annual Report, the sharp rise in oil prices led to increase in plastic price and substantially affect the Company's cost of production. As further disclosed in the Annual Report, in anticipation of the high and volatile oil and commodity prices, the Company believes that the year ahead is still full of challenges. The Board wishes to clarify that as an inference from the information contained in the Annual Report, the Board believes that if the oil price maintains in 2005, it is estimated that the gross profit of the Company in 2005 will be decreased from the gross profit margin of 21.5 % in 2004. Given the high volatility of the oil and commodity prices, there is no assurance that the gross profit margin of the Company could be sustained or attained in the future.

The Company may not rule out the possibility to repurchase its own shares and the relevant details have been disclosed in the Company's explanatory statement of 11 May 2005. As at the date of this announcement, the Company has no present intention to repurchase its own shares.

**Shareholders of the Company and public investors are advised to exercise extreme caution when dealing in the shares of the Company.**

The board of directors (the "Board") of Lerado Group (Holding) Company Limited (the "Company") noted the articles appeared, inter alia, in Hong Kong Daily News and Oriental Daily News (the "Articles") on 8 June 2005 regarding the estimated gross profit of the Company. Mr. Leung Man Fai, an executive director of the Company, held informal discussions with certain reporters who stayed after the Company's annual general meeting held yesterday where information from the annual report of the Company set out in the following paragraph was discussed.

As disclosed in the annual report of the Company dated 14 April 2005 (the "Annual Report"), the sharp rise in oil prices led to an increase in plastic price and substantially affect the Company's cost of production. As further disclosed in the Annual Report, in anticipation of the high and volatile oil and commodity prices, the Company believes that the year ahead is still full of challenges. The Board wishes to clarify that as an inference from the information contained in the Annual Report, the Board believes that if the oil price maintains in 2005, it is estimated that the gross profit of the Company in 2005 will be decreased from the gross profit margin of 21.5% in 2004. Given the high volatility of the oil and commodity prices, there is no assurance that the gross profit margin of the Company could be sustained or attained in the future.

The Company may not rule out the possibility to repurchase its own shares and the relevant details have been disclosed in the Company's explanatory statement of 11 May 2005. As at the date of this announcement, the Company has no present intention to repurchase its own shares.

The Board confirms that there are no negotiations or agreements relating to intended acquisitions and realizations which are discloseable under Rule 13.23 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

**Shareholders of the Company and public investors are advised to exercise extreme caution when dealing in the shares of the Company.**

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

Hong Kong, 8 June 2005

As at the date of this announcement, the Board of Directors of the Company comprises of Mr. Huang Ying Yuan, Mr. Chen Hsing Shin, Madam Huang Chen Li Chu and Mr. Leung Man Fai being the Executive Directors, and Mr. Lim Pat Wah Patrick, Mr. Huang Zhi Wei and Mr. Yang Yu Fu being the Independent Non-executive Directors.

\* for identification purposes only

*Please also refer to the published version of this announcement in  
Hong Kong Economic Times and International Herald Tribune.*