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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
IN RELATION TO
ACQUISITION OF PROPERTIES**

The Board is pleased to announce that on 27 May 2015 (after trading hours), the Purchaser, an indirect 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 Properties at the Consideration of RMB64,573,140 (approximately HK\$81,362,156).

As the acquisition of the Previous Properties and the acquisition of the Properties are entered into by the Vendor and the Purchaser within the past 12-month period, the Company aggregated the acquisition of the Previous Properties and the acquisition of the Properties in computing the applicable percentage ratios pursuant to Rule 14.22 of the Listing Rules. As at the date of this announcement, as the application percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the acquisition of the Properties in aggregate with the acquisition of the Previous Properties exceed 5% but are less than 25%, the acquisition of the Previous Properties and the acquisition of the Properties, in aggregate, constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

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THE AGREEMENT

Date

27 May 2015 (after trading hours)

Parties

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

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

Properties to be acquired

The Properties are situated at Phase 1, Jinyuan Baoxing Shicheng Estate, Dawa County, Liaoning Province, PRC with enclosing 900,000 square meters of gross construction and the Vendor planned to establish a leisure resort with high-quality surrounding support facilities in the area.

Consideration

Pursuant to the Agreement, the Purchaser will pay a cash consideration in the sum of RMB64,573,140 (approximately HK\$81,362,156) to the Vendor within 2 weeks upon signing of the Agreement.

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser, having taken into account the fair value of the Properties as of 30 April 2015 was RMB71,100,000 (approximately HK\$89,586,000) as shown in an independent property valuation.

The payment for the Consideration will be funded by the internal resources of the Group.

Previous Properties

On 15 April 2015, the Purchaser purchased 10 blocks of villa (the "**Previous Properties**") from the Vendor at the consideration of RMB16,929,960 (approximately HK\$21,331,750) and such consideration was settled in cash. The purchase of the Previous Properties itself did not constitute a discloseable transaction pursuant to Chapter 14 of the Listing Rules.

Repurchase of the Properties and the Previous Properties by the Vendor

Pursuant to the Agreement, the parties agreed that if the Properties and the Previous Properties cannot be used for commencing business of services provided for the elderly in 8 months after the Agreement, no matter whatsoever the reasons, the Purchaser has absolute discretion to demand the Vendor to repurchase the Properties and the Previous Properties within 3 months, with a total of 13,583.85 square meters of gross construction area at:

- (i) RMB82,861,485 (approximately HK\$104,405,471) if within 1 month upon receipt of the demand notice made by the Purchaser, which represents RMB6,100 per square meter; or
- (ii) RMB83,540,677.5 (approximately HK\$105,261,254) if exceed 1 month but within 2 months upon receipt of the demand notice made by the Purchaser, which represents RMB6,150 per square meter; or

- (iii) RMB84,219,870 (approximately HK\$106,117,036) if exceed 2 months but within 3 months upon receipt of the demand notice made by the Purchaser, which represents RMB6,200 per square meter; or
- (iv) the amount calculated based on the above-used approach if the payment was paid by installment upon receipt of the demand notice made by the Purchaser.

Reasons for the acquisition

The Directors consider that the Previous Properties and the Properties are at a very good location of the core economic section of Dawa County in Liaoning Province.

As disclosed in the circular of the Company dated 28 August 2014, the Company would explore opportunities to diversify into other business sectors that could benefit from the growing aging population and health consciousness in the PRC, with view to create synergistic effects with the medical business. On 15 April 2015, the Purchaser purchased the Previous Properties from the Vendor at the consideration of RMB16,929,960 with an attempt to develop an elderly centre. After further consideration on the scale of operation and to be cost-effective, the Directors are of the view that the Group could further benefit from acquisition of the Properties to develop a comprehensive leisure aged nursing base to enhance overall earnings.

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.

Listing rules implications

As the acquisition of the Previous Properties and the acquisition of the Properties are entered into by the Vendor and the Purchaser within the past 12-month period, the Company aggregated the acquisition of the Previous Properties and the acquisition of the Properties in computing the applicable percentage ratios pursuant to Rule 14.22 of the Listing Rules. As at the date of this announcement, as the application percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the acquisition of the Properties in aggregate with the acquisition of the Previous Properties exceed 5% but are less than 25%, the acquisition of the Previous Properties and the acquisition of the Properties, in aggregate, constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

Information of the Company and the Group

The Company is an investment holding company. The Group is principally engaged in manufacture and distribution of toys and medical products.

Information about the Vendor

To the best of the Directors' knowledge, information and belief, the Vendor is a company engaged in property development business in PRC.

Definitions

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

“Agreement”	the agreement dated 27 May 2015 entered into between the Purchaser and the Vendor
“Board”	the board of Directors
“Consideration”	the total consideration of RMB64,573,140 payable by the Purchaser to the Vendor for the acquisition pursuant to the Agreement
“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
“Director(s)”	the director(s) of the Company
“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
“Listing Rules”	Rules Governing the listing of securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Properties”	38 blocks of villa under development, phase 1, Jinyuan Baoxing Shicheng Estate, Dawa County, Liaoning Province, PRC
“Purchaser”	駿勝世紀科技(深圳)有限公司, a company incorporated in PRC and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	盤錦金遠寶興房地產開發有限公司, a company incorporated in PRC
“%”	per cent.

For the purpose of this announcement, unless otherwise indicated, the exchange rate of RMB1.00 = HK\$1.26 has been used for currency translation. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amount in HK\$ or RMB have been, could have been or may be converted at such or an other rate or at all.

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

Hong Kong, 28 May 2015

As at the date of this announcement, the executive Directors 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 are Mr. MAK Kwong Yiu, Mr. YE Jianxin and Mr. CHERN Shyh Feng.

** For identification purposes only.*