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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

Reference is made to the circular of Lerado Group (Holding) Company Limited (the “**Company**”) dated 26 October 2015 (the “**Circular**”) and the announcement of the Company dated 27 October 2015 in relation to, among other things, the Open Offer. Unless otherwise defined, capitalized terms used herein shall have the same meanings as used in the Circular.

The Company would like to clarify the information below contained in the Circular.

The information in the table (and its notes) under the sub-section headed “ii. Substantial Shareholders” of the section headed “3. DISCLOSURE OF INTERESTS” on page III-6 of the Circular shall be replaced by the following in its entirety:

Name of shareholder	Capacity	Number of Shares held	Percentage of issued share capital of the Company as at the Latest Practicable Date
			(%)
Gransing Securities <i>(Note 1)</i>	Beneficial owner	2,879,030,172	300.00
Oei Hong Eng <i>(Note 1)</i>	Interest of a controlled corporation	2,879,030,172	300.00
Que Bon Tan Gerald <i>(Note 1)</i>	Interest of a controlled corporation	2,879,030,172	300.00
Mr. David Michael Webb <i>(Note 2)</i>	Beneficial owner	76,938,000	8.02
Preferable Situation Assets Limited <i>(Note 3)</i>	Beneficial owner	50,750,000	5.29

Name of shareholder	Capacity	Number of Shares held	Percentage of
			issued share capital of the Company as at the Latest Practicable Date (%)
Cai Xiao Jun (Note 4)	Beneficial owner	370,000,000	38.55
Guo Junhua (Note 5)	Beneficial owner	370,000,000	38.55
易東暉 (Note 6)	Beneficial owner	370,000,000	38.55
劉照新 (Note 7)	Beneficial owner	370,000,000	38.55
Asia Private Credit Fund Limited (Note 8)	Beneficial owner	370,000,000	38.55
Capital VC Limited (Note 9)	Interest of a controlled corporation	370,000,000	38.55
Ethnocentric Investment Limited (Note 9)	Interest of a controlled corporation	370,000,000	38.55
Like Capital Limited (Note 9)	Beneficial owner	370,000,000	38.55
China Automotive Interior Decoration Holdings Limited (Note 10)	Beneficial owner	75,000,000	7.82

Notes:

1. The Shares are the Offer Shares which Gransing Securities is interested under the Underwriting Agreement on the assumption of no acceptance by the Qualifying Shareholders under the Open Offer. On that basis, the relevant percentage of interest is expected to be 75% when the Open Offer commences. These Shares are registered in the name of and beneficially owned by Gransing Securities, 50% and 50% of the issued share capital of Gransing Securities is owned by Oei Hong Eng and Que Bon Tan Gerald respectively. Under the SFO, each of Oei Hong Eng and Que Bon Tan Gerald is deemed to be interested in all the Shares held by Gransing Securities.
2. Mr. David Michael Webb beneficially owns 26,188,000 Shares, and in addition he holds 50,750,000 Shares through Preferable Situation Assets Limited, which is 100% directly owned by him.
3. Preferable Situation Assets Limited is 100% owned by Mr. David Michael Webb.
4. The Shares are the Offer Shares which Cai Xiao Jun is interested under the sub-underwriting agreement entered with Gransing Securities on the assumption of no acceptance by the Qualifying Shareholders under the Open Offer. On that basis, the relevant percentage of interest is expected to be 9.64% when the Open Offer commences.
5. The Shares are the Offer Shares which Guo Junhua is interested under the sub-underwriting agreement entered with Gransing Securities on the assumption of no acceptance by the Qualifying Shareholders under the Open Offer. On that basis, the relevant percentage of interest is expected to be 9.64% when the Open Offer commences.
6. The Shares are the Offer Shares which 易東暉 is interested under the sub-underwriting agreement entered with Gransing Securities on the assumption of no acceptance by the Qualifying Shareholders under the Open Offer. On that basis, the relevant percentage of interest is expected to be 9.64% when the Open Offer commences.

7. The Shares are the Offer Shares which 劉照新 is interested under the sub-underwriting agreement entered with Gransing Securities on the assumption of no acceptance by the Qualifying Shareholders under the Open Offer. On that basis, the relevant percentage of interest is expected to be 9.64% when the Open Offer commences.
8. The Shares are the Offer Shares which Asia Private Credit Fund Limited is interested under the sub-underwriting agreement entered with Gransing Securities on the assumption of no acceptance by the Qualifying Shareholders under the Open Offer. On that basis, the relevant percentage of interest is expected to be 9.64% when the Open Offer commences.
9. The Shares are the Offer Shares which Like Capital Limited is interested under the sub-underwriting agreement entered with Gransing Securities on the assumption of no acceptance by the Qualifying Shareholders under the Open Offer. On that basis, the relevant percentage of interest is expected to be 9.64% when the Open Offer commences. These Shares are registered in the name of and beneficially owned by Like Capital Limited. Like Capital Limited is directly wholly-owned by Ethnocentric Investment Limited which in turn indirectly wholly-owned by Capital VC Limited. Under the SFO, each of Ethnocentric Investment Limited and Capital VC Limited is deemed to be interested in all the Shares held by Like Capital Limited.
10. China Automotive Interior Decoration Holdings Limited owns 75,000,000 Shares through its wholly-owned Link Excellent Limited.

Save for the information disclosed above, all the details contained in the Circular remain unchanged.

Furthermore, the Directors wish to take this opportunity to further explain the reason for the Company to maintain its shareholdings in China Jicheng Holdings Limited (“**CJHL Shares**”) and proposed a fund raising activity through the Open Offer. The Company considered disposing CJHL Shares is not a reliable source of fund to expand the Company’s business. The stock market in Hong Kong has been volatile since June 2015. A disposal of the CJHL Shares (to meet the Company’s fund raising needs for approximately HK\$432 million) may constitute a major transaction or very substantial disposal for the Company under Chapter 14 of the Listing Rules and be subject to reporting, announcement and shareholders’ approval requirements under the Listing Rules (the “**Considered Disposal**”). As the management of the Company assessed that the Considered Disposal may take months to complete, the Company considered that the final expected proceeds from the Considered Disposal cannot be ascertained at completion of the Considered Disposal due to (i) the volatile stock market in Hong Kong and (ii) the average trading volume of CJHL Shares in July 2015 was approximately 4 million CJHL Shares per trading day. Therefore, the Company is unable to ascertain the timing of realising approximately HK\$432 million for the Company’s business expansion as disclosed in the Circular.

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

Hong Kong, 9 November 2015

As at the date of this announcement, the executive Directors are Mr. HUANG Ying Yuan, Mr. HUANG Shen Kai, Mr. CHEN Chun Chieh and Mr. LAI Kin Chung, Kenneth; and the independent non-executive Directors are Mr. YE Jianxin and Mr. CHERN Shyh Feng.