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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)

MEMORANDUM OF UNDERSTANDING IN RELATION TO A POSSIBLE ACQUISITION OF PROPERTIES

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

On 22 March 2016 after trading hours, the Company entered into the MOU with the Vendor in relation to the Possible Acquisition of the Properties. The Properties are situated in a zone, with enclosing approximately 1.6 million square meters of gross construction area at Sanya, Hainan Province, the PRC, where the Vendor planned to establish an education center, nursing base and leisure resort with high-quality supporting facilities, including but not limited to, golf course, five-star hotels and spa. The Group intended to develop the Properties as the elderly servicing center and health and nursing base after the acquisition.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Vendor is a third party independent to and not connected with the Company and its connected persons.

The consideration payable for the acquisition of the Properties shall be settled by the Group by way of cash for not more than HK\$140 million. Nonetheless, the consideration amount is still under negotiation and shall be subject to the terms and conditions of the Formal Agreement.

Under the MOU, the parties agreed that it represents their intention and may proceed with further negotiation for the entering into the Formal Agreement regarding details of developing the Properties as the elderly servicing center and health and nursing base, including but not limited to, health supporting facilities and environmental optimization.

The MOU does not constitute a legally-binding commitment of the parties to the MOU in respect of the Possible Acquisition. The Possible Acquisition is subject to the execution and completion of the Formal Agreement.

Given the Properties are situated in the core section of Sanya in Hainan Province of the PRC and as disclosed in the circular of the Company dated 28 August 2014, the Company would explore opportunities for potential investment or acquisition in connection with the medical business and 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.

In view of the above, the Board is of the view that the Possible Acquisition of the Properties is in the interests of the Company and the Shareholders as a whole.

As the MOU is not legally binding with regard to the Possible Acquisition, it may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares of the Company.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Lerado Financial 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
“Formal Agreement”	the formal sale and purchase agreement which may or may not be entered into by the Group and the Vendor in relation to the Possible Acquisition
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administration Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU”	the memorandum of understanding dated 22 March 2016 made between the Vendor and the Company

“Possible Acquisition”	the possible acquisition of the Properties pursuant to the MOU
“PRC”	the People’s Republic of China
“Properties”	villas to be acquired by the Group, which is subject to the Formal Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	a potential vendor which is a company incorporated in PRC and is a large scale property developer in Hainan Province

By order of the Board
Lerado Financial Group Company Limited
Huang Ying Yuan
Chairman

Hong Kong, 22 March 2016

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. LAM Chak Man, Mr. YE Jianxin and Mr. CHERN Shyh Feng.