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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)

MAJOR TRANSACTION TERMINATION OF THE PROPOSED FORMATION OF A JOINT VENTURE SECURITIES COMPANY IN THE PRC

Reference is made to the announcement of Lerado Financial Group Company Limited (the “**Company**”, which together with its subsidiaries, the “**Group**”) dated 29 December 2016 and 9 May 2017 (the “**Announcements**”) and the circular of the Company dated 3 February 2017 in relation to the proposed joint venture (the “**Joint Venture**”) formation under the Mainland and Hong Kong Closer Economic Partnership Arrangement framework for the purpose of establishing a licensed corporation to provide full range of securities and financial services in the People’s Republic of China (the “**PRC**”). Unless otherwise specified, terms defined in the Announcements shall have the same meanings when used in this announcement.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the Shareholders and potential investors that China Kweichow Moutai, Qianhai Xinquang Financial Holdings (Shenzhen) Limited, First Shanghai Financial Investments Limited, Shijiazhuang Changshan Textile and Black Marble Securities (the “**JV Shareholders**”) entered into a termination agreement on 16 January 2020, pursuant to which, among others, the JV Shareholders agreed to terminate the JV Agreement, the Supplementary Agreement and the Second Supplementary Agreement (the “**JV Agreements**”), as it is anticipated that the application will not be approved by the CSRC under the current market condition in the PRC, after the assessment by the Preparatory Group.

As all JV Shareholders agreed to terminate the JV Agreements, the JV Shareholders is no longer required to comply with the obligations under the JV agreements and is not liable to any compensation/claims as a result and the refundable deposit will be returned by the Preparatory Group to the JV Shareholders.

The Board considers that the termination of the JV Agreements will not cause any material adverse effect on the operation and business of the Group.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 6 June 2017 and will remain suspended until further notice.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 16 January 2020

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.