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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Lerado Group (Holding) Co. Ltd., you should at once hand this circular to the purchaser, the transferee or to the bank, licensed securities dealer or other agent through whom the sale or the transfer was effected for onward transmission to the purchaser or the transferee.

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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

DISPOSAL OF PROPERTY

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DEFINITIONS

In this circular, the following expressions shall have the following meanings, unless the context otherwise requires:

“Agreement”	the provisional sale and purchase agreement dated 10 December 2007 entered into between the Vendor and the Purchaser in relation to the Sale
“Board”	the board of directors of the Company
“Company”	Lerado Group (Holding) Company Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Sale
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	28 December 2007, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	Units 1-3, 16-18, 17th Floor, China Merchants Tower, Shun Tak Centre, 168 - 200 Connaught Road Central, Hong Kong
“Purchaser”	Ample Sino Limited, an independent third party
“Sale”	the sale of the Property by the Vendor to the Purchaser
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“Vendor”	Lerado Hong Kong Limited, a wholly-owned subsidiary of the Company
“%”	per cent

LETTER FROM THE BOARD



LERADO GROUP (HOLDING) COMPANY LIMITED

(隆成集團(控股)有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1225)

Executive Directors:

Mr. Huang Ying Yuan (*Chairman*)
Mr. Chen Hsing Shin (*Vice Chairman and
Chief Executive Officer*)
Ms. Huang Chen Li Chu (*Vice Chairman*)
Mr. Yang Yu Fu

Independent non-executive Directors:

Mr. Lim Pat Wah Patrick
Mr. Huang Zhi Wei
Mr. Tyrone Lin

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place
of business in Hong Kong:*

Unit 1-3, 30/F
Universal Trade Centre
3-5A, Arbutnot Road
Central, Hong Kong

31 December 2007

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION

DISPOSAL OF PROPERTY

INTRODUCTION

The Board announced that on 10 December 2007, the Vendor, a wholly-owned subsidiary of the Company, has entered into a provisional sale agreement with the Purchaser, pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Property for HK\$88,800,000.

The Sale constitutes a discloseable transaction for the Company under the Listing Rules. The purpose of this circular is to provide you with further information relating to the Agreement.

* *For identification purposes only*

LETTER FROM THE BOARD

THE AGREEMENT

Date of the Agreement:

10 December 2007

Parties to the Agreement:

- (1) The Vendor
- (2) The Purchaser

The Purchaser is principally engaged in property investments. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, the Purchaser and its beneficial owners are third parties independent of the Company and its connected persons.

The Sale

Pursuant to the Agreement, the Vendor will sell, and the Purchaser will purchase, the Property for a consideration of HK\$88,800,000. The consideration will be satisfied by the Purchaser in cash. An initial deposit of HK\$4,250,000 has already been paid by the Purchaser upon the signing of the provisional sale and purchase agreement and a further deposit of HK\$4,630,000 will be paid by the Purchaser upon the signing of the formal sale and purchase agreement. The balance of the consideration of HK\$79,920,000 will be paid by the Purchaser on completion.

The consideration in the amount of HK\$88,800,000 for the sale of the Property was determined by the parties after arm's length negotiations with reference to the valuation conducted by Grant Sherman Appraisal Limited, an independent professional valuer, on the Property as at 31 December 2006 in the amount of HK\$51,300,000 and recent transaction prices of properties of similar standard located in the vicinity of the Property as provided by property agents.

The Directors (including the independent non-executive Directors) consider the terms of the Agreement have been made on normal commercial terms and are fair and reasonable and the Sale is in the interest of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Condition precedent

The provisional agreement has set out that Completion of the Sale is conditional upon the Sale being approved by the Shareholders at a special general meeting to be convened to approve the Agreement and the transactions contemplated thereunder, if necessary. Since The Sale is not subject to the requirement of Shareholders' approval for the purpose of the Listing Rules. No condition precedent has been provided in the formal sale and purchase agreement and the parties will proceed with completion upon the entering of the formal sale and purchase agreement. Completion is expected to take place on or before 29 February 2008.

Information on the Property

The Property is located at the China Merchants Tower of Shun Tak Centre in Central, Hong Kong and comprises approximately 6,000 square feet of office space. The Property was previously used by the Group as the corporate office of the Company in Hong Kong. The net asset value of the Property as at 31 December 2006 was HK\$51,300,000. The Company will realise a net disposal gain of approximately HK\$36,700,000 as a result of the Sale.

REASONS FOR THE SALE

The Company is principally engaged in the business of design, manufacture and sale of infant products.

The Board considers that the Property exceeds the Group's requirements for a corporate office and has relocated the Company's corporate office to smaller premises. Since the allocation of the corporate office, the Group intends to sell the Property. The Board also notices that since the beginning of this year, the sentiment of the office property market has improved and the market prices of office premises have increased during the past few months. The Board considers that the sale of the Property will not only result in a possible reduction in the administrative cost (including building management fees, electricity charges, government rent and rates and depreciation) of the Group, but may also represent a good opportunity for the Group to divest the Property and to realise a better value for the Property.

The Board considers that the relocation of the Group's corporate office will have minimum impact on the operation of the Company.

USE OF PROCEEDS

The total net proceeds of approximately HK\$88,000,000 from the Sale will be applied as general working capital of the Group.

LETTER FROM THE BOARD

FINANCIAL EFFECTS OF THE SALE

(1) Gain on the Sale

According to the audited consolidated financial statements of the Group, the net asset value of the Property was HK\$51,300,000 as at 31 December 2006, grouped under property, plant and equipment. The Property was revalued at 31 December 2006 by Grant Sherman Appraisal Limited, an independent professional valuer not connected with the Group. Accordingly, the Sale would give rise to a gain before taxes of approximately HK\$36,700,000 for the Group based on its fair value as at 31 December 2006 and the direct expenses attributable to the Sale of approximately HK\$800,000. The gain before taxes is not yet finalized and will be subject to further review during the final audit of the Group.

(2) Asset value

On the basis of the net asset value of the Property as at 31 December 2006, the consideration represents an excess of approximately HK\$37,500,000 over the carrying amount of the Property as at 31 December 2006. After deducting the direct expenses of approximately HK\$800,000, the total assets of the Group as at 31 December 2006 would have been increased by approximately HK\$36,700,000.

(3) Liability

The Group's total liabilities as at 31 December 2006 would not be affected by the Sale.

(4) Earnings

The Property was previously used by the Group as its corporate office in Hong Kong, therefore no rental income has been derived from the Property for the year ended 31 December 2006. The Sale thus has no effect on the earnings of the Group.

LISTING RULES IMPLICATIONS

As the applicable percentage ratio for the Sale calculated pursuant to Rule 14.07(4) exceeds 5% but is less than 25%, the Sale constitutes a discloseable transaction of the Company under the Listing Rules.

Your attention is drawn to the general information set out in the appendix to this circular.

Yours faithfully
For and on behalf of
Lerado Group (Holding) Company Limited
Huang Ying Yuan
Chairman

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with respect to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, no Directors or chief executive of the Company, save as disclosed below, had or was deemed to have any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are deemed or taken to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO to be entered in the register referred to therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange:

Interest in the shares and underlying shares of the Company

Name of director	Number of shares held as		Total	Approximate % of the issued share capital	Share options
	Beneficial owner	Spouse interest			
Mr. Huang Ying Yuan	104,153,360	43,336,180 <i>(Note 1)</i>	147,489,540	20.3	7,000,000 <i>(Note 3)</i>
Mr. Chen Hsing Shin	—	96,805,800 <i>(Note 2)</i>	96,805,800	13.3	3,500,000
Mrs. Huang Chen Li Chu	43,336,180	104,153,360 <i>(Note 1)</i>	147,489,540	20.3	7,000,000 <i>(Note 4)</i>

Notes:

- The spouse interest represents the shares held by the spouse of Mr. Huang Ying Yuan and Mrs. Huang Chen Li Chu, respectively. Mrs. Huang Chen Li Chu is the spouse of Mr. Huang Ying Yuan.

2. These shares were held by Hwa Foo Investment Limited, 70% issued share capital of which was owned by Mrs. Chen Tsai Su Hua. By virtue of the SFO, Mrs. Chen Tsui Su Hua was deemed to be interested in all the shares held by Hwa Foo Investment Limited. Mrs. Chen Tsai Su Hua is the spouse of Mr. Chen Hsing Shin.
3. It represents 4,000,000 share options beneficially owned by Mr. Huang Ying Yuan and 3,000,000 share options held by his spouse.
4. It represents 3,000,000 share options beneficially owned by Mrs. Huang Chen Li Chu and 4,000,000 share options held by her spouse.

3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, according to the register of interests kept by the Company under section 336 of the SFO and so far as is known to the Directors, the following person and companies (other than the Directors or chief executive of the Company) had, or were deemed or taken to have an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group or had any option in respect of such capital:

Name of substantial shareholders	Capacity	Number of shares	Approximate % of the issued share capital
Mr. Chen Chun Chieh	Corporate interest <i>(Note i)</i>	97,087,800	13.4%
Mrs. Chen Tsai Su Hua	Corporate interest <i>(Note ii)</i>	96,805,800	13.3%
Hwa Foo Investment Limited	Beneficial owner <i>(Note i & ii)</i>	96,805,800	13.3%
Allianz Aktiengesellschaft	Corporate interest <i>(Note iii)</i>	66,032,000	9.1%
Dresdner Bank Aktiengesellschaft	Corporate interest <i>(Note iii)</i>	66,032,000	9.1%
Veer Palthe Voute NV	Investment manager <i>(Note iii)</i>	66,032,000	9.1%
Mr. David Michael Webb	<i>(Note iv)</i>	36,742,000	5.1%
Mr. Chen An Hsin	Corporate interest <i>(Note v)</i>	36,689,675	5.1%
Gold Field Business Ltd.	Beneficial owner <i>(Note v)</i>	36,689,675	5.1%

Notes:

- (i) Mr. Chen Chun Chieh beneficially owned 282,000 shares, and in addition, he held 96,805,800 shares through Hwa Foo Investment Limited, which was 30% owned by him. By virtue of the SFO, Mr. Chen was deemed to be interested in all shares held by Hwa Foo Investment Limited. Besides, Mr. Chen held 736,000 share options of the Company.
- (ii) Mrs. Chen Tsai Su Hua held 70% issued share capital of Hwa Foo Investment Limited, which held 96,805,800 shares of the Company. By virtue of the SFO, Mrs. Chen Tsai Su Hua deemed to be interested in all shares held by Hwa Foo Investment Limited.
- (iii) Veer Palthe Voute NV was 100% indirectly owned by Dresdner Bank Aktiengesellschaft, which was 81.1% indirectly owned by Allianz Aktiengesellschaft.
- (iv) Mr. David Michael Webb beneficially owns 5,110,000 shares, and in addition, he holds 31,632,000 shares through Preferable Situation Assets Limited, which is 100% indirectly owned by him.
- (v) Mr. Chen An Hsin owns the entire interest of Gold Field Business Ltd.

Save as disclosed above, as at the Latest Practicable Date, as far as the Company is aware of, there was no other person (other than any Director or the chief executive of the Company) who had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

Save as disclosed in this circular, none of the Directors or proposed directors is a director or employee of a company which has an interest in the Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

4. SERVICE CONTRACTS

No Director has a service contract with the Company or its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

5. LITIGATION

No member of the Group was engaged in any litigation or arbitration proceedings of material importance as at the Latest Practicable Date and there was no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

6. COMPETING INTEREST

As at the Latest Practicable Date, in so far as the Directors are aware, none of the Directors or their respective associates (as defined in the Listing Rules) had any interest in a business which competes or likely to compete with the business of the Group.

7. MISCELLANEOUS

- (a) The qualified accountant and the company secretary of the Company is Mr. Chan Man Fu who is a member of the Hong Kong Institute of Certified Public Accountants.
- (b) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and the head office and principal place of business in Hong Kong is at Unit 1-3, 30/F., Universal Trade Centre, 3-5A, Arbuthnot Road, Central, Hong Kong.
- (c) The branch share registrar of the Company in Hong Kong is Tricor Secretaries Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong.
- (d) The English text of this circular shall prevail over the Chinese text in case of any inconsistency.