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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**

The Board is pleased to announce 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. A circular containing the details of the Sale will be dispatched to the Shareholders as soon as practicable.

The Board is pleased to announce that on 10 December 2007, the Vendor has entered into the Agreement with the Purchaser.

#### **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.

\* *For identification purposes only*

## **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.

## **Condition precedent**

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.

If the condition set out above is not fulfilled or waived by the Company by 29 February 2008, or such later date as may be agreed by the parties, the Vendor will serve a notice on the Purchaser and enter into a cancellation agreement with the Purchaser within 10 days of such notice to cancel the Agreement. In such an event, the deposit already paid by the Purchaser will be returned to the Purchaser without interest. The Sale is not subject to the requirement of Shareholders' approval for the purpose of the Listing Rules.

## **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 is currently occupied by the Group as the head 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 intends to sell the Property and relocate the Company's corporate office to smaller premises. 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.

## **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. A circular containing the details of the Sale will be dispatched to the Shareholders as soon as practicable.

## **DEFINITIONS**

“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
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“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
“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
“Purchaser”	Ample Sino Limited, an independent third party
“Sale”	the sale of the Property by the Vendor to the Purchaser
“Vendor”	Lerado Hong Kong Limited, a wholly-owned subsidiary of the Company
“%”	per cent

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

11 December 2007

*As at the date of this announcement, the executive directors of the Company are Mr. Huang Ying Yuan, Mr. Chen Hsing Shin, Ms. Huang Chen Li Chu and Mr. Yang Yu Fu and the independent non-executive directors are Mr. Lim Pat Wah, Patrick, Mr. Huang Zhi Wai and Mr. Tyrone Lin.*