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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)**

#### **DISCLOSEABLE TRANSACTION IN RELATION TO FURTHER ACQUISITION OF EQUITY INTERESTS IN AN ONLINE AUTOMOTIVE FINANCING AND WEALTH MANAGEMENT PLATFORM “QIANNEIZHU” IN THE PRC**

The Board is pleased to announce that on 31 March 2016 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Agreements with the Vendors, pursuant to which the Vendors have conditionally agreed to sell and transfer the Sale Shares to the Purchaser, and the Purchaser has conditionally agreed to purchase the Sale Shares from the Vendors at the Consideration of RMB32,800,000 (approximately HK\$39,360,000), which shall be settled in cash.

As the acquisition of the Previous Sale Shares and the acquisition of the Sale Shares are entered into by the Vendors and the Group within the past 12-month period, the Company aggregated the acquisition of the Previous Sale Shares and the acquisition of the Sale Shares in computing the applicable percentage ratios pursuant to Rule 14.22 of the Listing Rules. As at the date of this announcement, as the application percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the acquisition of the Sale Shares in aggregate with the acquisition of the Previous Sale Shares exceed 5% but are less than 25%, the acquisition of the Previous Sale Shares and the acquisition of the Sale Shares, in aggregate, constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

The Board is pleased to announce that on 31 March 2016 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Agreements with the Vendors pursuant to which the Vendors have conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares at the Consideration of RMB32,800,000 (approximately HK\$39,360,000).

## **THE AGREEMENTS**

### **Date**

31 March 2016 (after trading hours)

### **Parties**

- (i) The Purchaser
- (ii) Vendor A
- (iii) Vendor B

Vendor A and Vendor B are existing shareholders of the Target Company (together, the “Vendors”). To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, Vendor A and Vendor B is an individual and is a third party independent to the Company and its connected person(s) (as defined under the Listing Rules).

### **Assets to be acquired**

Pursuant to the Agreements, the Vendors have conditionally agreed to sell and the Purchaser has conditionally agreed to purchase from the Vendors, the Sale Shares at RMB32,800,000 (approximately HK\$39,360,000), representing 41% of the entire issued share capital of the Target Company as at the date of the Agreements.

### **Information of the Target Company**

The Target Company is a company incorporated in the PRC and is principally engaged in the operation of online automotive financing and wealth management platform.

Based on the unaudited management accounts for the period from 30 April 2015 (date of incorporation) to 29 February 2016, the unaudited net asset value was approximately RMB44,568,000 (approximately HK\$53,482,000). The unaudited net loss both before and after the taxation for the period from 30 April 2015 (date of incorporation) to 29 February 2016 was approximately RMB5,432,000 (approximately HK\$6,518,000).

### **Consideration**

The Purchaser shall pay a deposit in the amount of RMB5,000,000 (approximately HK\$6,000,000) upon signing of the Agreements and shall pay the remaining balance of the consideration in the amount of RMB27,800,000 (approximately HK\$33,360,000) within 3 months from the completion date of registration of the change with the Hangzhou Administration for Industry & Commerce in respect of the Agreements.

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendors taking into account the enormous growth potential of online financing and wealth management platform business in the PRC; the future business prospect of the Target Company; and the future business development of the Group.

Upon completion of the Acquisition, the Company will be indirectly interested in the 51% of the entire issued share capital of the Target Company and the Target Company will be accounted for as a subsidiary of the Company.

The Acquisition is funded by internal resources from the Group.

### **Completion of the Acquisition**

The completion of the Acquisition will occur on the day of the registration of the change in respect of the Agreements with the Hangzhou Administration for Industry and Commerce.

### **Previous Sale Shares**

On 24 September 2015, the Group acquired 10% of the issued share capital of the Target Company (the "Previous Sale Shares") from Vendor A at the consideration of RMB5,000,000 (approximately HK\$6,000,000) and such consideration was settled in cash. The purchase of the Previous Sale Shares itself did not constitute a discloseable transaction pursuant to Chapter 14 of the Listing Rules.

### **Reasons for the acquisition**

The Group has planned to develop its financial services in the PRC.

As disclosed in the Prospectus dated 27 November 2015, the Company would like to take an active approach in generating immediate revenue and diversifying the Company's business portfolio in other business sector including securities trading, money lending business, and other financial and property investment.

On 15 February 2016, the English name of the Company has been changed from "LERADO GROUP (HOLDING) COMPANY LIMITED" to "Lerado Financial Group Company Limited", and the Chinese name "隆成金融集團有限公司" has been adopted as the secondary name of the Company in bid to better reflect the direction of the Group's business development and the expansion of the Group's business.

The Target Company is principally engaged in the operation of online automotive financing and wealth management platform in the PRC, which is conducted via the website (<http://www.qianneizhu.com>). On 24 September 2015, the Group acquired the Previous Sales Shares from Vendor A at the consideration of RMB 5,000,000 with an attempt to develop the financial services business in the PRC. After further consideration on the tremendous growth opportunities and the increasing demand for online financial platform business, the Directors are of the view that the Group could

further benefit from acquisition of the Sale Shares to consolidate the influence of the Company on the Target Company and expect to realize synergies effect with the Group’s existing business, which will help enhancing the competitiveness of the Group as a whole.

The Directors are of the view that the terms of the Agreements are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Listing rules implications**

As the acquisition of the Previous Sale Shares and the acquisition of the Sale Shares are entered into by the Vendors and the Group within the past 12-month period, the Company aggregated the acquisition of the Previous Sale Shares and the acquisition of the Sale Shares in computing the applicable percentage ratios pursuant to Rule 14.22 of the Listing Rules. As at the date of this announcement, as the application percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the acquisition of the Sale Shares in aggregate with the acquisition of the Previous Sale Shares exceed 5% but are less than 25%, the acquisition of the Previous Sale Shares and the acquisition of the Sale Shares, in aggregate, constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

### **Information of the Company and the Group**

The Company is an investment holding company. The Group is principally engaged in providing financial services including securities broking, margin financing and money lending etc. Manufacture and distribute children plastic toys and medical care products like mobility aid and other medical equipment.

### **Information about the Vendors**

Vendors are existing shareholders of the Target Company and together are interested in 44% of the issued share capital of the Target Company. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of Vendor A and Vendor B is an individual and is a third party independent to the Company and its connected person(s) (as defined under the Listing Rules).

### **DEFINITIONS**

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

“Acquisition”	the acquisition of 41% issued share capital of the Target Company pursuant to the Agreements
“Agreements”	the agreement dated 31 March 2016 entered into between the Purchaser and Vendor A and the agreement dated 31 March 2016 entered into between the Purchaser and Vendor B

“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
“Consideration”	RMB32,800,000 (approximately HK\$39,360,000) to be paid by the Purchaser to the Vendors for the Sale Shares
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“PRC”	the People’s Republic of China
“Purchaser”	隆成諮詢(深圳)有限公司, a company incorporated in PRC and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“QIANNEIZHU”	Qianneizhu is an online automotive financing and wealth management platform operated by 杭州錢內助金融信息服務有限公司, which aims at establishing a model brand-name in online automobile financing industry by means of matching lenders and private borrowers from various automobile financing products through internet.
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	20,500,000 ordinary shares of the Target Company, representing the 41% of the entire issued share capital in the Target Company as at the date of the Agreements.
“Shareholder(s)”	the holder(s) of the issued ordinary share(s) in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Company” 杭州錢內助金融信息服務有限公司，a company incorporated in PRC and is principally engaged in the operation of online automotive financing and wealth management platform

“%” per cent.

# For the purpose of this announcement, unless otherwise indicated, the exchange rate of RMB1.00 = HK\$1.20 has been used for currency translation. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amount in HK\$ or RMB have been, could have been or may be converted at such or an other rate or at all.

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

Hong Kong, 31 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.*