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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)

UPDATE ANNOUNCEMENT

This announcement is made pursuant to Rule 13.09 and Rule 13.24A of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of Lerado Financial Group Company Limited (the “**Company**”, which together with its subsidiaries, the “**Group**”) dated 5 June 2017, 6 June 2017 and 7 June 2017 in relation to, among other matters, the letter dated 5 June 2017 (the “**SFC Letter**”) issued by the Securities and Futures Commission of Hong Kong (the “**SFC**”) to the Company and the suspension of trading in shares of the Company, as well as the announcements of the Company dated 7 June 2017, 9 August 2017, 20 July 2018, 31 July 2018, 7 November 2018, 31 January 2019, 12 March 2019 and 30 April 2020.

BUSINESS OPERATIONS OF 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., as well as manufacturing and distributing children plastic toys and medical care products like mobility aid and other medical equipment.

The board of directors of the Company (the “**Board**”) would like to provide the shareholders and potential investors of the Company with updates on the latest operation and financial status of the Group as at the date of this announcement.

The Group is carrying on its business as usual, and on 15 May 2019, the Company published its annual report for the year ended 31 December 2019 (the “**2019 Annual Report**”). As stated in the 2019 Annual Report, the total assets and the net assets value of the Group as at 31 December 2019 were approximately HK\$2,070 million and HK\$1,108 million, respectively. The Directors consider that there has been no material adverse change to the total assets and net asset value of the Group since 31 December 2019.

Meanwhile, the Company is in the process of finalizing the interim results of the Group for the six months ended 30 June 2020, Shareholders and investors should read the interim results announcement of the Group for the six months ended 30 June 2020, which is expected to be published before the end of August 2020 for more details of the business operations.

EXPECTED TIMETABLE

The Company wishes to update that HLB Hodgson Impey Cheng Limited (“**HLB**”), who was engaged as the internal control adviser to the Company, has completed the follow-up review on the effectiveness of the newly adopted internal control system based upon its internal control review. The Company has also instructed legal advisers to take further actions based on the counsel’s views on possible actions made available for addressing the concerns raised by SFC, in view of observations by HLB (in its capacity relating to the independent investigation conducted by it on the issues raised in the SFC Letter (the “**Independent Investigation**”)) in the Independent Investigation as set out in the Company’s announcement dated 29 April 2020. As at the date of this announcement, the Company has no further updates on such further actions to be taken. The Company’s liaison with the SFC for resumption of trading continues and a further announcement would be made as and when there are further developments.

The Company will make further announcement(s) in relation to further material developments of the above, if any. The Company will also inform the market of all material information for the shareholders and potential investors of the Company to appraise the Company’s position as and when appropriate in accordance with the Listing Rules.

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, 31 July 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.