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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 TRANSACTIONS AND MAJOR TRANSACTIONS IN RELATION TO THE PROVISION OF FINANCIAL ASSISTANCE

PROVISION OF FINANCIAL ASSISTANCE

Between 7 April 2023 and 30 March 2024, the Lender, an indirect wholly-owned subsidiary of the Company and a registered money lender in Hong Kong as lender, in the ordinary course of business of the Group, entered into Renewed Confirmations for provision of loans to various individuals and corporations as borrowers on such terms and conditions therein contained.

LISTING RULES IMPLICATIONS

For loans under each of the Renewed Confirmation (Discloseable), as some of the applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules exceed 5% but are less than 25%, the provision of the loan under each of the Renewed Confirmation (Discloseable) constituted a discloseable transaction for the Company under Chapter 14 of the Listing Rules and was subject to the reporting and announcement requirements under the Listing Rules.

For loans under each of the Renewed Confirmation (Major), as some of the applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules exceeded 25% but was less than 100%, the provision of loan under each of the Renewed Confirmation (Major) constituted a major transaction of the Company and was subject to the reporting, announcement, and shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if they think fit, approve the relevant resolutions regarding the loans under the Renewed Confirmations (Major). To the best of the Directors' knowledge, information, and belief, having made all reasonable enquiries, as of the date of this announcement, no Shareholder has a material interest in Renewed Confirmations (Major). Thus, no Shareholder will be required to abstain from voting on the relevant resolutions at the EGM.

A circular containing, among others, (i) further details of the Renewed Confirmations (Major); (ii) a notice convening the EGM; and (iii) other information required under the Listing Rules, is expected to be despatched to the Shareholders on or before 24 April 2025.

TRANSACTIONS RELATING TO THE PROVISION OF FINANCIAL ASSISTANCE

Between 7 April 2023 and 30 March 2024, the Lender, an indirect wholly-owned subsidiary of the Company and a registered money lender in Hong Kong as lender, in the ordinary course of business of the Group, entered into Renewed Confirmations for provision of loans to various individuals and corporates as borrowers on such terms and conditions therein contained.

THE RENEWED CONFIRMATIONS (DISCLOSEABLE)

Principal terms of the various Renewed Confirmations (Discloseable) are summarised in the table below:

No.	Date	Borrower	Amount of Loan (as of 31 December 2023) <i>HK\$'000</i>	Interest per annum (as of 31 December 2023)	Original Maturity Date	Latest Renewal Date	Latest Maturity Date
1	20 April 2016	Zhang Ming	8,759	8.00%	19 April 2017	19 April 2023	18 April 2024
2	27 April 2016	Wong Ching Chung	5,563	6.00%	26 April 2017	26 April 2023	25 April 2024
3	16 May 2016	Xie Xiaojun	8,269	10.00%	16 May 2017	15 May 2023	14 May 2024
4	15 August 2016	Zeng Qian	3,719	8.00%	14 August 2017	15 August 2023	14 August 2024
5	25 November 2016	Pan Huichu	10,473	8.00%	24 November 2017	24 July 2023	23 July 2024
6	20 March 2017	Xu MengMeng	4,457	8.00%	19 March 2018	20 March 2024	20 March 2025
7	5 January 2019	Lu Weiwen	7,838	11.00%	9 January 2020	10 January 2024	9 January 2025

No.	Date	Borrower	Amount of Loan (as of 31 December 2023) <i>HK\$'000</i>	Interest per annum (as of 31 December 2023)	Original Maturity Date	Latest Renewal Date	Latest Maturity Date
8	7 January 2021	Dragon Force HR Consulting & Outsourcing Limited	4,222	15.00%	6 January 2023	7 January 2024	6 January 2025
9	13 August 2020	Tsang Ho Kwan	6,054	11.00%	12 August 2021	13 August 2023	12 August 2024
10	4 November 2020	Leading Empire Limited	7,219	14.00%	3 November 2022	4 November 2023	3 November 2024
11	12 November 2020	Liao Shiguang	3,875	14.00%	11 November 2021	12 November 2023	11 November 2024
12	12 November 2020	Liang Yindong	4,134	14.00%	11 November 2021	12 November 2023	11 November 2024
13	16 July 2021	Luu Hung Viet Derrick	1,634	12.00%	15 August 2021	16 August 2023	15 August 2024
14	13 May 2021	Wang Liankun	3,102	12.00%	12 May 2023	13 May 2023	12 May 2024
15	13 May 2021	Yang Zhiqi	3,102	12.00%	12 May 2023	13 May 2023	12 May 2024
16	15 January 2019	Xian Juntao	4,423	11.00%	14 January 2020	15 January 2024	14 January 2025
17	20 August 2021	Lau Chi Ho	5,827	8.00%	19 August 2022	20 August 2023	19 August 2024
18	25 October 2021	Tan Yurong	3,524	8.00%	24 October 2023	25 October 2023	24 October 2024
19	17 November 2021	Yuan Guosheng	4,094	8.00%	16 November 2023	17 November 2023	16 November 2024
20	22 November 2021	Bright Fully Investment Holding Limited	4,090	8.00%	21 November 2023	22 November 2023	21 November 2024
Total amount of loans:			<u>104,378</u>				

There are 20 Renewed Confirmations (Discloseable) in total.

The ultimate beneficial owners of Leading Empire Limited, Bright Fully Investment Holding Limited and Dragon Force HR Consulting & Outsourcing Limited are Choi Kwok La, Sin Kin Hong, Edward and Leung Kar Man, Carman respectively.

THE RENEWED CONFIRMATIONS (MAJOR)

Principal terms of the various Renewed Confirmations (Major) are summarised in the table below:

No.	Date	Borrower	Amount of Loan <i>HK\$'000</i>	Interest per annum	Original Maturity Date	Latest Renewal Date	Latest Maturity Date
1	13 June 2016	Yan Xiaotong	18,273	10.00%	12 June 2017	13 June 2023	12 June 2024
2	22 June 2016	Gong Wenping	32,398	8.00%	21 June 2017	17 April 2023	20 June 2024
3	23 June 2016	Zhu Weiling	31,752	8.00%	22 June 2017	18 April 2023	21 June 2024
4	23 June 2016	Huang Binghua	31,752	8.00%	22 June 2017	18 April 2023	21 June 2024
5	28 June 2016	Deng Xin	31,725	8.00%	27 June 2017	19 April 2023	26 June 2024
6	15 August 2016	Lin Weibing	11,703	8.00%	14 August 2017	15 August 2023	14 August 2024
7	31 October 2016	Hongkong Dien Limited	9,617	8.00%	30 October 2017	31 October 2023	30 October 2024
8	22 November 2016	Lin Aihua	12,099	8.00%	22 November 2017	22 May 2023	21 May 2024
9	18 January 2017	Li Yong	15,453	8.00%	17 January 2018	18 January 2024	17 January 2025
10	1 March 2017	Chen Shaojie	28,941	7.00%	28 February 2018	29 February 2024	28 February 2025
11	8 March 2017	Liang Jianming	21,533	7.00%	7 March 2018	7 March 2024	7 March 2025
12	10 March 2017	Wu Wentong	27,487	7.00%	9 March 2018	9 March 2024	9 March 2025
13	20 March 2017	Yan Yanqin	18,044	8.00%	19 March 2018	19 March 2024	19 March 2025
14	7 April 2017	Chen Dan	19,678	8.00%	16 April 2018	7 April 2023	6 April 2024
15	11 April 2017	Cai Xueqing	15,226	8.00%	10 April 2018	11 April 2023	10 April 2024
16	26 April 2017	Wu Wenkui	20,310	8.00%	25 April 2018	26 April 2023	25 April 2024
17	26 April 2017	Lin Mei	15,144	8.00%	25 April 2018	26 April 2023	25 April 2024
18	27 April 2017	Zeng Changqing	19,800	9.00%	26 April 2018	27 April 2023	26 April 2024
19	27 April 2017	Chen Zhibiao	19,550	9.00%	26 April 2018	27 April 2023	26 April 2024
20	19 May 2017	He Guangzhen	14,279	9.00%	18 May 2018	19 May 2023	18 May 2024

No.	Date	Borrower	Amount of Loan <i>HK\$'000</i>	Interest per annum	Original Maturity Date	Latest Renewal Date	Latest Maturity Date
21	22 May 2017	Cai Haibin	25,747	9.00%	21 May 2018	22 May 2023	21 May 2024
22	31 March 2021	Ip Kei Sang	15,304	10.00%	30 March 2022	30 March 2024	30 March 2025
Total amount of loans:			<u>455,815</u>				

There are 22 Renewed Confirmations (Major) in total.

The ultimate beneficial owners of Hongkong Dien Limited is Yan Dejin.

The loans under the Renewed Confirmations as renewed are unsecured.

FUNDING OF THE LOANS

The loans had been funded by internal resources of the Group.

INFORMATION OF THE COMPANY

The Company is an investment holding company incorporated in Bermuda with limited liability and its shares are listed on the Main Board of the Stock Exchange.

The Group is principally engaged in (i) manufacturing and distribution of medical care products and plastic toys; (ii) securities brokerage, margin financing and underwriting and placements and provision of asset management services; and (iii) provision of loan services and other financial services.

At all the material times, the Lender was a registered money lender holding a valid money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and had been principally engaged in the business of money lending services. Provision of the loans had been transactions carried out as part of the ordinary and usual course of business activities of the Group.

INFORMATION OF THE BORROWERS

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Borrower, its ultimate beneficial owner(s) and the respective guarantors were all third parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF ENTERING INTO THE RENEWED CONFIRMATIONS

The terms of each of the Renewed Confirmation (including the interest rate) were arrived at after arm's length negotiations between the Lender and each of the Borrower having taken into account the prevailing market interest rates and practices. Each of the Renewed Confirmation was entered into by the Lender having regard to (i) the costs of borrowing in providing of loan to each of the Borrower; (ii) the interest income to be generated under each of the Renewed Confirmation and (iii) the underlying security.

In view of the above, the Directors are of the view that the terms of each of the Renewed Confirmation are in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The loans as provided under the Renewed Confirmations constituted financial assistance of the Company within the meaning of the Listing Rules.

For loans under each of the Renewed Confirmation (Discloseable), as some of the applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules exceed 5% but are less than 25%, the provision of the loan under each of the Renewed Confirmation (Discloseable) constituted a discloseable transaction for the Company under Chapter 14 of the Listing Rules and was subject to the reporting and announcement requirements under the Listing Rules.

For loans under each of the Renewed Confirmation (Major), as some of the applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules exceeded 25% but was less than 100%, the provision of loan under each of the Renewed Confirmation (Major) constituted a major transaction of the Company and was subject to the reporting, announcement, and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The EGM will be convened and held for the Shareholders to consider and, if they think fit, approve the relevant resolutions regarding the loans under the Renewed Confirmations (Major). To the best of the Directors' knowledge, information, and belief, having made all reasonable enquiries, as of the date of this announcement, no Shareholder has a material interest in Renewed Confirmations (Major). Thus, no Shareholder will be required to abstain from voting on the relevant resolutions at the EGM.

A circular containing, among others, (i) further details of the Renewed Confirmations (Major); (ii) a notice convening the EGM; and (iii) other information required under the Listing Rules, is expected to be despatched to the Shareholders on or before 24 April 2025.

REASONS FOR THE BREACH OF THE LISTING RULES AND REMEDIAL ACTIONS

The Company had failed to promptly comply with the notification, announcement, and shareholders' approval requirements (as the case may be) under the Listing Rules regarding the transactions contemplated under the Renewed Confirmations (the "**Non-Compliance Matters**").

The Company would stress that such Non-Compliance Matters were unintentional, in particular, it was a genuine belief by the then senior management of the Lender at the material time that loan renewal of each of the Renewed Confirmation would not fall under the notification transactions specified in Chapter 14 of the Listing Rules.

In order to avoid recurrence of the Non-Compliance Matters, and to ensure the Company will fully comply with the requirements under Chapter 14 of the Listing Rules, the Company will take the following remedial measures:

- (1) the Company has examined and closely monitored the latest status of all loans provided to the third parties from time to time upon renewal (including but not limited to keeping track of the outstanding balance of any loan advanced) so as to ascertain whether such loan(s), on a standalone or aggregated basis, will constitute notifiable transaction(s) of the Company under Chapter 14 of the Listing Rules. This measure has been in place as of the date of this announcement.
- (2) The Company has enhanced its written policy and procedure on notifiable transactions in order to regulate the procedures on identification, approval and disclosure and monitoring of the notifiable transactions by requiring the subsidiaries of the Company to provide the list of proposed transactions, including provision and renewal of loans, with the material terms to the Company Secretary for review. The Company Secretary should review and ascertain if those transactions will be conducted in compliance with the applicable requirements under the Listing Rules and the relevant rules and regulations. If a transaction is identified as a notifiable transaction, the related documentation be reported to the Board for approval. Such enhance policy and procedure has been in place as of the date of this announcement.
- (3) the Company will arrange external advisers to provide ongoing trainings on legal and regulatory requirements applicable to the transactions of the Group which may fall under Chapter 14 and Chapter 14A of the Listing Rules to the Directors, senior management and relevant employees of the Group. The training will be done on or before 15 May 2025.

The Directors believe that the implementation of the above remedial measures will strengthen and reinforce the knowledge of the responsible staff, management and Directors and will improve the compliance ability of the Company and would prevent reoccurrence of similar non-compliance incidents.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Board”	the board of Directors
“Borrower(s)”	Borrower under the respective Renewed Confirmation
“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
“Director(s)”	the director(s) of the Company

“EGM”	the extraordinary general meeting to be convened by the Company for its Shareholders to consider, and if thought fit, approve the terms of the loans in each of Renewed Confirmation (Major)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Lender”	BlackMarble Capital Limited, the then indirect wholly-owned subsidiary of the Company which held a licensed money lender under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) at all the material times
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Renewed Confirmation(s)”	collectively the Renewed Confirmation(s) (Discloseable) and the Renewed Confirmation(s) (Major)
“Renewed Confirmation(s) (Discloseable)”	such renewal confirmations entered into between the Lender and the Borrower for the renewal of the loans which constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules
“Renewed Confirmation(s) (Major)”	such renewal confirmations entered into between the Lender and the Borrower for the renewal of the loans which constituted a major transaction of the Company under Chapter 14 of the Listing Rules
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By Order of the Board
Lerado Financial Group Company Limited
MAN Yun Wah
Company Secretary

Hong Kong, 31 March 2025

As at the date of this announcement, the executive directors of the Company are Mr. CHEN Chun Chieh, Ms. HO Kuan Lai and Mr. LEUNG Kam Por Ken; and the independent non-executive directors of the Company are Mr. YU Tat Chi Michael, Mr. YANG Haihui and Mr. LAM Williamson.