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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)

ANNUAL RESULTS ANNOUNCEMENT **FOR THE YEAR ENDED 31 DECEMBER 2024**

The board (the “**Board**”) of directors (the “**Directors**”) of Lerado Financial Group Company Limited (the “**Company**”) presents the consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2024, together with the comparative figures as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	<i>NOTES</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue	3	157,235	191,422
Costs of sales		(58,891)	(59,428)
Gross profit		98,344	131,994
Other income		4,553	6,632
Other losses, net	4(a)	(899)	(17,808)
Impairment loss recognised on financial assets at amortised cost, net	4(b)	(175,609)	(292,066)
Marketing and distribution expenses		(17,466)	(10,281)
Administrative expenses		(55,902)	(34,914)
Share of results of associates		–	(9,487)
Finance costs		(28,178)	(52,313)
Loss before taxation		(175,157)	(278,243)
Income tax credit/(expense)	5	871	(1,152)
Loss for the year	6	(174,286)	(279,395)

	<i>NOTE</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
(Loss)/gains on property revaluation		(2,921)	3,898
Effect of deferred tax liability arising from property revaluation		<u>730</u>	<u>(976)</u>
		(2,191)	2,922
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		<u>(2,520)</u>	<u>23,963</u>
Other comprehensive (expense)/income for the year		<u>(4,711)</u>	26,885
Total comprehensive expense for the year		<u>(178,997)</u>	<u>(252,510)</u>
Loss for the year attributable to:			
Owners of the Company		(174,244)	(279,466)
Non-controlling interests		<u>(42)</u>	<u>71</u>
		<u>(174,286)</u>	<u>(279,395)</u>
Total comprehensive expense attributable to:			
Owners of the Company		(178,955)	(252,581)
Non-controlling interests		<u>(42)</u>	<u>71</u>
		<u>(178,997)</u>	<u>(252,510)</u>
Loss per share			
– Basic and diluted	8	<u>(76.65 HK cents)</u>	<u>(121.34 HK cents)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

		2024	2023
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		25,071	28,456
Right-of-use assets		10,809	12,510
Investment properties		20,418	21,157
Interests in associates		–	–
Financial assets at fair value through profit or loss (“FVTPL”)	10	13,494	13,626
Statutory deposits placed with clearing house		205	205
		<u>69,997</u>	<u>75,954</u>
Current assets			
Inventories		8,400	12,871
Trade and other receivables and prepayments	9	115,420	150,596
Loan receivables		402,007	896,812
Financial assets at FVTPL	10	120,690	105,176
Bank balances (trust and segregated accounts)		17,063	7,785
Bank balances (general accounts) and cash		91,137	127,822
		<u>754,717</u>	<u>1,301,062</u>
Current liabilities			
Bonds		313,092	234,537
Trade and other payables and accruals	11	189,728	176,739
Lease liabilities		881	935
Tax payable		9,062	15,349
		<u>512,763</u>	<u>427,560</u>
Net current assets		<u>241,954</u>	<u>873,502</u>
Total assets less current liabilities		<u><u>311,951</u></u>	<u><u>949,456</u></u>

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Capital and reserves		
Share capital	2,304	2,304
Reserves	247,322	426,277
	249,626	428,581
Non-controlling interests	(374)	(332)
Total equity	249,252	428,249
Non-current liabilities		
Bonds	50,000	505,710
Deferred tax liabilities	12,699	14,616
Lease liabilities	–	881
	62,699	521,207
	311,951	949,456

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

Lerado Financial Group Company Limited (the “**Company**”) was incorporated in Bermuda as an exempted company with limited liability. The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and principal place of business of the Company in Hong Kong is at Flat F&G, 4/F., Golden Sun Centre, 59-67 Bonham Strand West, Sheung Wan, Hong Kong.

The Company is an investment holding company. The principal activities of its subsidiaries (together with the Company collectively referred to as the “**Group**”) are set out in consolidated financial statements.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

(A) Application of new and revised HKFRS Accounting Standards

The Group has applied the following amendments to HKFRS Accounting Standards and interpretation issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Hong Kong Interpretation 5 (“ HK Int 5 ”) (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRS Accounting Standards and Interpretation listed above did not have any material impact on the Group’s financial performance and positions for the current and prior periods and/or as the disclosures set out in these consolidated financial statements.

(B) New and amendments to HKFRS Accounting Standards in issue but not yet effective

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of new standards and amendments to HKFRS Accounting Standards and Interpretation, which are not effective on 1 January 2024, and which have not been adopted in the consolidated financial statements. The Group has not early applied the following which may be relevant to the Group:

	Effective for accounting periods beginning on or after
Amendments to HKAS 21 and HKFRS 1 – Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7 – Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 9 and HKFRS 7 – Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to HK Int 5 – Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA

The directors of the Company anticipate that the application of the above amendments to HKFRSs will not have material impact on the consolidated financial statements in the foreseeable future except as described below.

HKFRS 18 “Presentation and Disclosure in Financial Statements”

HKFRS 18 will replace HKAS 1 “Presentation of financial statements”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information.

The directors of the Company are currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

The Group has adopted HKFRS 8 “Operating segments”, which requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the “CODM”) in order to allocate resources to the segment and to assess its performance. The Group’s executive directors are the CODM for the purposes of HKFRS 8 as they collectively make strategic decisions in allocating the Group’s resources and assessing performance.

For the segment reporting purpose to the CODM, the Group is currently organised into the following three operating and reportable segments:

Medical products and plastic toys business	Manufacturing and distribution of medical care products and plastic toys
Securities brokerage business and asset management services	Securities brokerage, margin financing and underwriting and placements and provision of asset management services
Money lending business and other financial services	Provision of loan services and other financial services

Revenue

Disaggregation of revenue from contracts with customers by major products or service line for the year is as follows:

	2024 <i>HK\$’000</i>	2023 <i>HK\$’000</i>
Revenue from contracts with customers recognised at a point in time within the scope of HKFRS 15:		
Medical products	72,234	71,956
Plastic toys	4,487	7,224
Fee and commission income	1,061	1,099
	<u>77,782</u>	<u>80,279</u>
Revenue from other sources:		
Interest income from		
– Loan receivables	76,607	108,954
– Margin financing	2,846	2,189
	<u>79,453</u>	<u>111,143</u>
	<u><u>157,235</u></u>	<u><u>191,422</u></u>

Segment revenue and results

The following is an analysis of the Group's revenue and result by reportable and operating segments.

	Medical products and plastic toys business <i>HK\$'000</i>	Securities brokerage business and asset management services <i>HK\$'000</i>	Money lending business and other financial services <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
For the year ended 31 December 2024				
Segment revenue – external	76,721	3,907	76,607	157,235
Segment results	(14,106)	(17,914)	(88,980)	(121,000)
Changes in fair value of:				
– investment properties				95
– financial assets at FVTPL				(997)
Property rental income				3,351
Gain on disposal of interests in associates				108
Unallocated corporate income				2,681
Unallocated corporate expenses				(59,395)
Loss before taxation				<u>(175,157)</u>
For the year ended 31 December 2023				
Segment revenue – external	79,180	3,288	108,954	191,422
Segment results	(20,929)	(7,076)	(173,968)	(201,973)
Changes in fair value of:				
– investment properties				(3,029)
– financial assets at FVTPL				(14,037)
Property rental income				3,207
Share of results of associates				(9,487)
Unallocated corporate income				3,425
Unallocated corporate expenses				(56,349)
Loss before taxation				<u>(278,243)</u>

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the years ended 31 December 2024 and 2023.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the profit earned by/loss from each segment without allocation of changes in fair value of investment properties and financial assets at FVTPL, property rental income, loss on disposal of interests in associates, share of results of associates, unallocated other income and unallocated corporate expenses. This is the measure reported to the CODM for the purposes of resources allocations and, performance assessment.

Geographical information

The Group's operations are principally located in the People's Republic of China (the "PRC") and Hong Kong.

Information about the Group's revenue from external customers is presented based on the locations of the customers. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers		Non-current assets	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
Hong Kong	99,872	112,244	1,444	2,665
Europe*	46,723	62,017	–	–
The United States of America	4,435	7,462	–	–
The PRC (excluding Hong Kong)	3,442	5,015	54,854	59,458
Others*	2,763	4,684	–	–
	<u>157,235</u>	<u>191,422</u>	<u>56,298</u>	<u>62,123</u>

* No further analysis by countries in this category is presented because the revenue from each individual country is insignificant to the total revenue.

Note: Non-current assets excluded those relating to interests in associates, financial assets at FVTPL and statutory deposits placed with clearing house.

Information about major customers

The Group's revenue from continuing operations from external customers is mainly derived from Hong Kong and Europe (2023: Hong Kong and Europe). For the years ended 31 December 2024 and 2023, there was no revenue from transactions with a single customer amounted to 10% or more of the total revenue.

4. OTHER LOSSES, NET / IMPAIRMENT LOSS RECOGNISED ON FINANCIAL ASSETS AT AMORTISED COST, NET

(a) Other gains and (losses), net

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Fair value changes of:		
– investment properties	95	(3,029)
– financial assets at FVTPL	(997)	(14,037)
Loss on disposal of property, plant and equipment	–	(10)
Loss on early redemption of bond payable	–	(732)
Gain on disposal of interests in associates	108	–
Loss on written off of property, plant and equipment	(105)	–
	<u>(899)</u>	<u>(17,808)</u>

(b) Impairment loss recognised on financial assets at amortised cost, net

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Impairment loss recognised on trade receivables, net arising from:		
– medical products and plastic toys business and trading of garments	(1,007)	395
– securities brokerage business	(16,637)	(7,064)
Impairment loss recognised on loan receivables, net	(156,259)	(285,397)
Impairment loss recognised on other receivables, net	(1,706)	–
	<u>(175,609)</u>	<u>(292,066)</u>

5. INCOME TAX (CREDIT)/EXPENSES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current tax – The PRC Enterprise Income Tax (“EIT”):		
Provision for the year	397	2,169
Over-provision in prior years	(628)	(1,017)
	<u>(231)</u>	1,152
Deferred tax	(640)	–
	<u>(871)</u>	<u>1,152</u>

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Under the Law of the PRC on Enterprise Income tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

Corporate Income Tax in Taiwan is charged at 17% for both years.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdiction.

6. LOSS FOR THE YEAR

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loss for the year has been arrived at after charging:		
Salaries and allowances, including those of directors	22,961	26,694
Contributions to retirement benefit schemes, including those of directors	<u>242</u>	<u>913</u>
Total employee benefits expense, including those of directors	<u>23,203</u>	<u>27,607</u>
Auditor's remuneration	700	710
Cost of inventories recognised as an expense	58,891	59,411
Depreciation of property, plant and equipment	1,876	1,723
Depreciation of right-of-use assets	1,286	1,339
Provision for allowance of inventories (included in cost of sales)	<u>-</u>	<u>17</u>

7. DIVIDENDS

The Board does not recommend the payment of a final dividend in respect of the year ended 31 December 2024 (2023: nil).

8. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loss for the year attributable to owners of the Company, for the purpose of basic and diluted loss per share	<u>(174,244)</u>	<u>(279,466)</u>
	Number of shares	Number of shares
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>230,322,413</u>	<u>230,322,413</u>

Diluted loss per share for the years ended 31 December 2024 and 2023 were the same as basic loss per share as there were no potential ordinary shares in issue for the years ended 31 December 2024 and 2023.

9. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables arising from:		
Medical products and plastic toys business (<i>Note a</i>)	24,224	16,954
<i>Less: allowance for ECL</i>	<u>(3,824)</u>	<u>(2,853)</u>
	<u>20,400</u>	<u>14,101</u>
Securities brokerage business (<i>Note b</i>):		
– Margin clients	122,432	184,962
<i>Less: allowance for ECL</i>	<u>(72,027)</u>	<u>(118,759)</u>
	<u>50,405</u>	<u>66,203</u>
Total trade receivables	70,805	80,304
Purchase deposits, other receivables and deposits	22,946	27,048
Amounts due from brokers	20,202	41,574
Prepayments	<u>1,467</u>	<u>1,670</u>
Total trade and other receivables and prepayments	<u><u>115,420</u></u>	<u><u>150,596</u></u>

Notes:

- (a) The Group allows an average credit period of 60 days to its trade customers from medical products and plastic toys business and garments trading and sourcing. The following is an aged analysis of trade receivables net of allowance for ECL from medical products and plastic toys business and sourcing presented based on the invoice date at the end of reporting period, which approximated the respective revenue recognition dates.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 30 days	7,825	4,650
31 to 90 days	701	6,441
91-365 days	11,482	1,914
Over 365 days	<u>392</u>	<u>1,096</u>
	<u><u>20,400</u></u>	<u><u>14,101</u></u>

Before accepting any new customer, the Group will assess the potential customer's credit quality and defines its credit limits. Credit sales are made to customers with a satisfactory trustworthy credit history. Credit limits attributed to customers are reviewed regularly.

- (b) The normal settlement terms of trade receivables from cash clients and securities clearing house are two days after trade date.

Trade receivables from margin clients, net of individually impaired receivables, amounting to approximately HK\$43,287,000 (2023: HK\$55,012,000) as at 31 December 2024 are secured by clients' pledged securities with fair value of approximately HK\$30,519,000 (2023: HK\$44,241,000). All of the pledged securities are listed equity securities in Hong Kong. The margin loans are repayable on demand subsequent to settlement date and carry interest at Hong Kong Prime rate plus margin that ranges from 8% to 15% (2023: from 8% to 15%) per annum. Securities are assigned with specific margin ratios for calculating their margin values. Additional funds or collateral are required if the outstanding amount exceeds the eligible margin value of securities deposited. The collateral held can be sold at the Group's discretion to settle any outstanding amount owed by margin clients.

The Group has concentration of credit risk as 67% (2023: 54%) of the total loans to margin clients was due from the Group's five largest margin clients. The whole amount is secured by clients' pledged securities with the fair value of HK\$10,094,000 (2023: HK\$23,360,000) as at 31 December 2024. No ageing analysis is disclosed, as in the opinion of the directors of the Company, the ageing analysis does not give additional value in view of the nature of business of securities margin financing.

In determining the allowances for impaired margin loans to margin clients, the management of the Group considers the margin shortfall by comparing the market value of stock portfolio and the outstanding balance of margin loan to securities margin clients individually. Impairments are made for those clients with margin shortfall as at year end and with no settlement after the year end.

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Financial assets mandatorily at FVTPL:		
Listed securities held for trading:		
– Equity securities listed in Hong Kong	114,150	94,989
Unlisted equity fund	13,494	13,626
Unlisted debt securities	6,540	10,187
	<u>134,184</u>	<u>118,802</u>
Analysed for reporting purpose as:		
Current assets	120,690	105,176
Non-current assets	13,494	13,626
	<u>134,184</u>	<u>118,802</u>

The Group recorded a loss of approximately HK\$997,000 (2023: HK\$14,037,000) on fair value changes of financial assets at FVTPL for the year ended 31 December 2024.

11. TRADE AND OTHER PAYABLES AND ACCRUALS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables arising from:		
Medical products and plastic toys business	10,472	13,214
Securities brokerage business		
– Cash clients	12,914	2,554
– Margin clients	4,144	5,226
	<hr/>	<hr/>
Total trade payables	27,530	20,994
Other payables and accruals	162,198	155,745
	<hr/>	<hr/>
	189,728	176,739
	<hr/> <hr/>	<hr/> <hr/>

The following is an aged analysis of trade payables from medical products and plastic toys business presented based on the invoice date at the end of the reporting period:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 30 days	7,910	5,613
31 to 90 days	29	293
Over 90 days	2,533	7,308
	<hr/>	<hr/>
	10,472	13,214
	<hr/> <hr/>	<hr/> <hr/>

The average credit period on purchases of goods from medical products and plastic toys business is 60 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

The settlement terms of trade payable arising from the securities brokerage business are two days after trade date or at specific terms agreed with clearing house. Trade payables to cash and margin clients are repayable on demand. No ageing analysis is disclosed as in the opinion of directors of the Company, the ageing analysis does not give additional value in view of the nature of business of share margin financing.

As at 31 December 2024, the trade payables amounting to approximately HK\$17,058,000 (2023: HK\$7,780,000) were payable to clients in respect of the trust and segregated bank balances received and held for clients in the course of the conduct of regulated activities. However, the Group does not have a currently enforceable right to offset these payables with the deposits placed.

BUSINESS REVIEW

Lerado Financial Group Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) 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.

Medical Products and Plastic Toys Business

In terms of products, sales revenue from medical products for the year ended 31 December 2024 was approximately HK\$72.2 million, representing an increase of approximately 0.4% over last year. Sales revenue from plastic toys decreased by approximately 37.9% for the year ended 31 December 2024 to approximately HK\$4.5 million mainly due to keen market competition.

Securities Brokerage, Margin Financing, Underwriting and Placements and Assets Management Business

Black Marble Securities Limited, a wholly-owned subsidiary of the Company (“**Black Marble Securities**”) has generated HK\$3.9 million revenue for the year ended 31 December 2024 (2023: HK\$3.3 million), representing 2.5% of the total revenue of the Group. It was mainly contributed by the interest income from the margin client of HK\$2.8 million for the year ended 31 December 2024 (2023: HK\$2.2 million).

The Group has started to develop assets management business and wishes to launch different type of fund to attract new investors for scaling up the portfolio size and the Group will receive management fees and incentive fees based on the amount of assets under management, and returns of portfolios, respectively. However, the assets management business has not yet generated any revenue during the year ended 31 December 2024 due to the weak market condition and the decline of investor enthusiasm.

Money Lending and Finance Leasing

For the year ended 31 December 2024, the Group continued with its money lending business in providing secured and unsecured loans to customers comprising individuals and corporations and commenced its finance lease business in the PRC. The Group has generated approximately HK\$76.6 million interest income for the year and has decreased approximately HK\$32.3 million as compared to last year, representing approximately 48.7% of the total revenue of the Group. Directors are of the view that such business will keep contribute the income stream of the Group and is one of the main sources of income for the Group. The decrease in revenue was mainly attributable to the decline in loan balances as the Group was more cautious in granting loans. Accordingly, the expected credit losses for the loan receivables of HK\$156.3 million was made.

PROSPECTS

The Group has endeavored to develop and expand the financial sectors, including, money lending business, financing leasing and securities brokerage business in Hong Kong and the PRC. In order to further expand the business, the Company will focus on the existing businesses and wish to participate in providing other financial services, including but not limited to providing corporate finance, asset management, financial planning services, which can leverage with the Group's existing financial sectors.

The Group will adopt cautious flexible strategy to face the market changes. Going forward, with a view to achieving better return and enhancing the expansion of the Group, the Group will keep focus on the existing business and look for potential investment opportunities to diversify its business scope and leverage with the Group's business.

FINANCIAL REVIEW

Consolidated revenue of the Group for the year ended 31 December 2024 was approximately HK\$157.2 million (2023: HK\$191.4 million), representing a decrease of approximately 17.9% over last year. The decrease in the consolidated revenue was mainly due to the decrease of medical products and plastic toys business, of which the decrement was HK\$2.7 million.

Gross profit margin of the Group for the year ended 31 December 2024 was approximately 62.5%, representing a decrease of approximately 6.5 percentage points as compared to the gross profit margin of approximately 69.0% in the last year. Loss of the Group for the year ended 31 December 2024 was approximately HK\$174.3 million (2023: HK\$279.4 million) and loss for the year ended 31 December 2024 attributable to owners of the Company was approximately HK\$174.2 million (2023: HK\$279.5 million). The loss was mainly due to the impairment loss recognised on loan receivables of approximately HK\$175.6 million for the year ended 31 December 2024.

LIQUIDITY AND FINANCIAL RESOURCES

The Group adopts a conservative policy in its financial management and maintains a solid financial position. Cash and cash equivalents of the Group as at 31 December 2024 decreased by approximately HK\$36.7 million to approximately HK\$91.1 million as compared to approximately HK\$127.8 million as at 31 December 2023. The Group has bond payable of approximately HK\$363.1 million (2023: HK\$740.2 million) as at 31 December 2024. As at 31 December 2024, the Group had net current assets of approximately HK\$242.0 million (31 December 2023: HK\$873.5 million) and a current ratio of approximately 1.5 (31 December 2023: 3.0). The Group's gearing ratio as at 31 December 2024 was approximately 145.7% (2023: 172.7%). The gearing ratio was computed by the total borrowings and bonds payable over the equity of the Group.

SIGNIFICANT INVESTMENTS

Since there was no held-for-trading investments and other investments held by the Group valued more than 5% of the total assets of the Group as at 31 December 2024, there were no significant investments held by the Group.

PLEDGE OF ASSETS

The Group did not have any pledged assets as at 31 December 2024.

EXCHANGE RISK EXPOSURE

The Group's monetary assets, liabilities and transactions are mainly denominated in United States dollar, Renminbi, Hong Kong dollar, Euro and New Taiwan dollar. In the event that Renminbi appreciates, the Group will be affected directly. Although the Group currently does not maintain any hedging policy to hedge against foreign exchange exposure that may arise from the above transactions, the management team continuously assesses the foreign currency exposure, with an aim to minimize the impact of foreign exchange fluctuation on the Group's business operations.

EQUITY PRICE RISK EXPOSURE

The Group is exposed to equity price risk through its investments in listed securities. Although, the Group currently does not maintain any hedging policy to hedge against the equity price risk, the management team manages this exposure by monitoring the price movements and the changes in market conditions that may affect the value of the investments and will consider taking appropriate actions to minimize the risk.

CONTINGENT LIABILITY

As at 31 December 2024, the Company did not have any significant contingent liabilities.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2024, the Group employed a total workforce of 149 staff members (2023: 151). The gender ratio of the Group's workforce (including senior management) was 55% female to 45% male. The Group shall continue to take into account diversity perspectives including gender diversity in its hiring of employees from time to time. Apart from basic salaries, discretionary bonus and contribution to retirement benefits schemes, share options may also be granted to staff with reference to the individual's performance. Moreover, the Group also provides internal and external training to its staff to enable them to achieve self-improvement and to enhance their job related skills.

DIVIDENDS

The Board does not recommend the payment of a final dividend in respect of the year ended 31 December 2024 (2023: nil).

EVENT AFTER THE REPORTING PERIOD

There is no significant event after the year ended 31 December 2024 and up to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company.

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2024, none of the Directors, supervisor or the chief executive of the Company had interests or short positions in the shares, underlying shares and/or debentures (as the case may be) of the Company or its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (the "SFO") which shall be recorded and maintained in the register pursuant to section 352 of the SFO, or which shall be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "Model Code").

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2024, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of Directors, the following Shareholders had notified the Company of relevant interests in the issued share capital of the Company.

Long position in shares and underlying shares of the Company

Name of shareholder	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Opus Platinum Growth Fund	Beneficial owner	18,000,000	7.82%
Mr. Lai Shu Fun, Francis Alvin (Note 1)	Interest in Controlled Corporation	<u>18,000,000</u>	<u>7.82%</u>

Note:

- (1) Mr. Lai Shu Fun, Francis Alvin is indirectly interested in approximately 40.03% of the total issued share capital of Opus Platinum Growth Fund. Therefore Mr. Lai Shu Fun, Francis Alvin is deemed to be interested in the 18,000,000 shares held by Opus Platinum Growth Fund.

Save as disclosed above, the Company has not been notified of any other relevant interests or short position in the issued share capital of the Company as at 31 December 2024.

CORPORATE GOVERNANCE CODE

The Directors consider that the Company had complied with Corporate Governance Code (the “Code”) as set out in Appendix C1 to the Listing Rules throughout the year ended 31 December 2024.

AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”), comprising of three independent non-executive Directors, namely Mr. Yu Tat Chi Michael, Mr. Yang Haihui and Mr. Lam Williamson, has reviewed the accounting principles and practices adopted by the Company, discussed auditing, internal control and financial reporting matters and reviewed the Group’s draft financial statements for the year ended 31 December 2024.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code. All the Directors have confirmed that, following specific enquiry by the Company, they fully complied with the required standard as set out in the Model Code throughout the year ended 31 December 2024.

SCOPE OF WORK OF MCMILLAN WOODS (HONG KONG) CPA LIMITED

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Company’s auditor, McMillan Woods (Hong Kong) CPA Limited, to the amounts set out in the Group’s draft consolidated financial statements for the year ended 31 December 2024. The work performed by McMillan Woods (Hong Kong) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by McMillan Woods (Hong Kong) CPA Limited on the preliminary announcement.

PUBLICATION OF ANNUAL REPORT

The Company’s annual report for the year ended 31 December 2024 containing all the relevant information required by the Listing Rules and other applicable laws will be published in due course on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.lerado.com, and will be despatched to the Shareholders in due course.

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 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.