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利·寶·閣

Li Bao Ge Group Limited

利寶閣集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1869)

PROFIT WARNING

This announcement is made by Li Bao Ge Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Unless otherwise specified, terms used herein shall have the same meanings as those defined in the Company’s announcement dated 28 August 2018 regarding the transfer of listing from GEM to main board.

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2018 (the “**Year**”) and assessment of the information currently available, the Group is expected to record a substantial decrease in profit attributable to owners of the Company by approximately 80% to 90% as compared to that of the year ended 31 December 2017, which was mainly attributable to (i) the overall decrease in revenue of the Group’s restaurants operating in Hong Kong, which the Directors consider to be mainly due to the downturn of economy (including the downturn of the property and stock markets) in the second half of 2018 which affected the consumption sentiment of customers, as well as the shrink of gross profit margin due to food cost inflation; leading to the incurring of overall operating loss of the Group’s Hong Kong restaurant operation for the Year; (ii) the operating profit of the Shenzhen Restaurant had significantly decreased for the Year as a result of the shrink of gross profit margin due to food cost inflation and increase in certain operating expenses during the Year, as well as the consumption sentiment being affected by the China-US trade war; (iii) the operating loss incurred by the Thai Restaurant which was opened in January 2018, during its initial stage of operation; and (iv) the incurring of listing expenses of approximately HK\$2 million in respect of the Transfer of Listing of the Company.

As the Company is still in the process of finalising the final results of the Group for the Year, the information contained in this announcement is only a preliminary assessment by the Board based on the latest information currently available, and is not based on any data or information which is finalised, audited or reviewed by the auditors of the Company. Shareholders and potential investors are advised to read the announcement of the Company in relation to the results of the Group for the Year carefully.

Shareholders of the Company and potential investors should exercise caution when dealing in the securities of the Company.

By the order of the Board
Li Bao Ge Group Limited
Chan Chun Kit
Chairman

Hong Kong, 4 March 2019

As at the date of this announcement, the executive Directors are Mr. Chan Chun Kit, Mr. Lam Kwok Leung Peter, Mr. Wong Ka Wai and Mr. Chow Yiu Pong David; and the independent non-executive Directors are Mr. Liu Chi Keung, Prof. Wong Lung Tak Patrick and Mr. Tam Tak Kei Raymond.