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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)

INSIDE INFORMATION – POTENTIAL LITIGATION

This announcement is made by Li Bao Ge Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 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).

Reference is made to the Company’s announcement dated 9 January 2020 (the “**Announcement**”) on an equity transfer agreement between Li Bao Tea House (Shenzhen) Catering Limited (利寶茶居 (深圳) 餐飲有限公司) (“**Li Bao Tea House**”) (an indirect wholly-owned subsidiary of the Company) and the Vendors. Capitalised terms used herein shall have the same meanings as those defined in the Announcement, unless otherwise specified.

In September 2021, Li Bao Tea House has suspected a possible fraud case involving some false financial data provided by Yaoliang (Shanghai) Food Company Limited* (耀良 (上海) 食品有限公司) (“**Fraud Case**”). The Group has sought legal advice from its PRC lawyers and reported the Fraud Case to the Shanghai police (the “**Shanghai Police**”). Recently, the Shanghai Police informed Li Bao Tea House that a case will not be opened regarding the Fraud Case. The Group is currently seeking legal advice from its PRC lawyers for actions to be taken further by the Group.

After due consideration by the Board, it is of the view that the Fraud Case did not and will not have any material adverse impact on the ordinary operation and financial positions of the Group. The Company will keep the shareholders and potential investors of the Company informed of any further material development by way of announcement as and when appropriate in relation to the Fraud Case. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

* *For identification purpose only*

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

Hong Kong, 19 November 2021

As at the date of this announcement, the executive Directors are Mr. Chan Chun Kit, Ms. Chan Josephine Wai Sze and Ms. Zhu Xueqin; the non-executive Director is Mr. Chow Yiu Pong David; and the independent non-executive Directors are Prof. Wong Lung Tak Patrick, Mr. Yuen Ching Bor Stephen and Mr. Kan Sze King Kenneth.