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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)

**VOLUNTARY ANNOUNCEMENT –
COOPERATION AGREEMENT WITH
KAFELAKU COFFEE INTERNATIONAL HOLDING LIMITED**

The board (the “**Board**”) of directors (the “**Directors**”) of Li Bao Ge Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that on 18 November 2022, the Company entered into a cooperation agreement (the “**Cooperation Agreement**”) with Kafelaku Coffee International Holding Limited, to establish a joint venture company (the “**JV**”). Pursuant to the Cooperation Agreement, the JV will then set up a company in Guangzhou city, the People’s Republic of China (the “**PRC**”) and open coffee chain stores in the PRC. References are made to the announcements of the Company dated 1 August 2022 and 13 October 2022 (the “**Announcements**”). Capitalised terms used herein shall have the same meanings as those defined in the Announcements, unless otherwise specified.

THE COOPERATION AGREEMENT

The principal terms of the Cooperation Agreement are set out below:

Date

18 November 2022

Parties

- (i) the Company; and
- (ii) Kafelaku Coffee International Holding.

To the best of the Directors’ knowledge and information, having made all reasonable enquiries, Kafelaku Coffee International Holding and its ultimate beneficial owners are third party independent of the Company and its connected persons (as defined in the Listing Rules).

Subject Matter

The Company or its subsidiary and Kafelaku Coffee International Holding will set up a JV, which will be incorporated in Hong Kong with proposed registered share capital of HK\$10,000,000. The Company will contribute HK\$5,100,000 in the form of cash, which will be funded by the internal resources of the Group and Kafelaku Coffee International Holding will contribute HK\$4,900,000 in the form of cash. Thus, the Company or its subsidiary and Kafelaku Coffee International Holding will hold 51% and 49% equity interest in the JV respectively. The final contribution to the JV will be subject to further written agreement between the parties.

Pursuant to the Cooperation Agreement, the JV will then set up a company in Guangzhou city, the PRC and open chain stores for civet coffee in the PRC.

If the JV is not set up within 1 year from the date of the Cooperation Agreement, the Cooperation Agreement will be terminated automatically.

REASONS FOR AND BENEFITS OF ENTERING INTO THE COOPERATION AGREEMENT

The Board believes that the Cooperation Agreement is conducive for the Group to further expand its scope of business and various sources of income. The Board considers that the Cooperation Agreement is on normal commercial terms and the terms thereof are fair and reasonable and the transaction contemplated thereunder are in the interest of the Company and its shareholders as a whole.

LISTING RULES IMPLICATION

As all the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the entering into the Cooperation Agreement do not exceed 5%, the Cooperation Agreement does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. This announcement is made by the Company on a voluntary basis.

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

Hong Kong, 18 November 2022

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 Mr. Kan Sze King Kenneth, Mr. Lee Cheung Yuet Horace and Mr. Chan Ming Kei.