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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 – BUSINESS UPDATE

This is a voluntary announcement made by Li Bao Ge Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) to inform its shareholders of the latest business development of the Group.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that the Group and Shenzhen Freshippo Network Technology Co., Ltd.* (深圳盒馬網絡科技有限公司) (“**Shenzhen Hema**”), a member of Alibaba Group Holding Limited (阿里巴巴集團控股有限公司) (“**Alibaba Group**”) have entered into a cooperation agreement on 16 December 2019 (the “**Cooperation Agreement**”). The Cooperation Agreement provides the Group to access the People’s Republic of China’s (the “**PRC**”) growing food delivery and takeaway market through the implementation of the online and offline innovative retail model that integrates physical stores and e-commerce platforms.

Under the Cooperation Agreement, the Company will launch the Company’s brand products in Freshippo physical stores, the new retail flagship of Alibaba Group, which are under the management of Shenzhen Freshippo, and offer the Company’s cooked-on-site Hong Kong style roasted meats and dim sum dishes exclusively to in Freshippo customers in specific stores. The Company will also provide specialty Cantonese food such as dim sum, stew soup, dessert and festive delicacies. Freshippo will make available its digital platforms and on-site facilities to the Company and provide technical support, including its marketing initiatives, online sales resources, potential customers, and establishment of online to offline O2O channels.

Under the Cooperation Agreement, the Company undertakes to set-up not less than 10 counters at Freshippo* (盒馬鮮生) stores on or before 15 December 2020. The Company will leverage Fresh Freshippo brand awareness and high traffic to attract more young people, develop multi-channel sales and penetrate the Chinese takeaway and food delivery market efficiently. With the introduction of the Company’s Hong Kong style roasted meats and other signature dishes, Freshippo will provide an exquisite shopping experience to customers. Since the size of the Company’s new in-store counters are significantly smaller than its customary high-end Cantonese restaurants, the investment cost will be considerably lowered, which will allow the Company to transform into a less capital intensive business model.

The cooperation enables the Company to capture huge opportunity in China's next generation online and offline retail catering market through commodifying its highly regarded Canton roasted meats and delicacies under the brand of "Star of Canton".

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

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

Hong Kong, 16 December 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.

** For identification purposes only*