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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)

CLARIFICATION ANNOUNCEMENT

References are made to the announcement of Li Bao Ge Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) dated 29 October 2019 (the “**Announcement**”) and the prospectus of the Company dated 25 November 2019 (the “**Prospectus**”) relating to the Rights Issue on the basis of one Rights Share for every four existing Shares held on the Record Date. Unless otherwise stated, terms used herein shall have the same meaning as those defined in the Prospectus.

Following the issuance of the Announcement and the Prospectus, the Company received a Director/Chief Executive Notice – Interests in Shares of Listed Corporation (the “**Notice**”) filed by Mr. Chan indicating that he was deemed to be interested, for the purposes of SFO, in 374,250,080 Shares, of which 13,400,000 Shares are owned by him in the capacity of beneficial owner, as at the date of the Announcement and the Latest Practicable Date of the Prospectus and 467,812,600 Shares, of which 16,750,000 Shares are owned by him in the capacity of beneficial owner, after completion of the Rights Issue. Based on the Notice and as advised by Mr. Chan, the Company would like to clarify certain information in the Announcement and the Prospectus.

It was stated in page 16 of the Announcement and page 31 of the Prospectus that Mr. Chan’s interests in the Company was approximate 13,350,000 Shares or approximate 1.67% of the Company’s shareholding as at the date of the Announcement and the Latest Practicable Date of the Prospectus. The Company would like to clarify that Mr. Chan was interested in 13,400,000 Shares or approximately 1.68% of the Company’s shareholding as at the date of the Announcement and the Latest Practicable Date of the Prospectus instead. Accordingly, the shareholding structure of the Company on page 16 of the Announcement and page 31 of the Prospectus should be amended as follows :

SHAREHOLDING STRUCTURE OF THE COMPANY

To the best knowledge of the Directors, assuming there is no further issue or repurchase of Shares from the date of the Announcement up to and including the date of completion of the Rights Issue, the table below sets out the shareholding structure of the Company (i) as at the date of the Announcement/Latest Practicable Date of the Prospectus; and (ii) immediately after completion of the Rights Issue:

Shareholders	As at the date of the Announcement/Latest Practicable Date of the Prospectus		Immediately after completion of the Rights Issue			
			Assuming all Shareholders have taken up the Rights Shares		Assuming only Bright Creator, Mr. Chan, Sun Foo Sing, Mr. Lam, Mr. Wong and Sky Gain take up their Rights Shares and the Underwriter take up all the Underwritten Shares	
	<i>No. of Approximate Shares</i>	<i>Approximate %</i>	<i>No. of Approximate Shares</i>	<i>Approximate %</i>	<i>No. of Approximate Shares</i>	<i>Approximate %</i>
Bright Creator (<i>Notes 1 & 3</i>)	301,225,120	37.65%	376,531,400	37.65%	376,531,400	37.65%
Mr. Chan (<i>Notes 1 & 3</i>)	13,400,000	1.68%	16,750,000	1.68%	16,750,000	1.68%
Sun Foo Sing (<i>Notes 2 & 3</i>)	59,324,960	7.42%	74,156,200	7.42%	74,156,200	7.42%
Mr. Lam (<i>Notes 2 & 3</i>)	300,000	0.04%	375,000	0.04%	375,000	0.04%
Mr. Wong (<i>Note 4</i>)	59,324,960	7.42%	74,156,200	7.42%	74,156,200	7.42%
Sky Gain (<i>Note 5</i>)	59,324,960	7.42%	74,156,200	7.42%	74,156,200	7.42%
Universal Palm Limited (<i>Note 6</i>)	23,540,000	2.94%	29,425,000	2.94%	23,540,000	2.35%
Prof. Wong Lung Tak Patrick (<i>Note 7</i>)	4,250,000	0.53%	5,312,500	0.53%	4,250,000	0.42%
Ms. Yuen Wan Yee Betty (<i>Note 7</i>)	100,000	0.01%	125,000	0.01%	100,000	0.01%
Subtotal (<i>Note 8</i>)	520,790,000	65.10%	650,987,500	65.10%	644,015,000	64.40%
Public Shareholders						
The Underwriter, sub-underwriter(s) and/or subscriber(s) procure by it	–	–	–	–	76,775,000	7.68%
Other Public Shareholders	279,210,000	34.90%	349,012,500	34.90%	279,210,000	27.92%
TOTAL	800,000,000	100.00%	1,000,000,000	100.00%	1,000,000,000	100.00%

Notes:

- Bright Creator beneficially owns 301,225,120 Shares. Mr. Chan and his spouse Ms. Liu Siu Kuen respectively owns 50% issued shares of Bright Creator. Mr. Chan beneficially owns 13,400,000 Shares. Mr. Chan is an executive Director, the chairman of the Board and the chief executive officer of the Company.
- Sun Foo Sing beneficially owns 59,324,960 Shares. Each of Mr. Ho Wood Yam, Mr. Tsui King Foo, Mr. Lam, Mr. Tsui Chi Kit and Ms. Tsui Yuk Yi owns 50%, 25%, 10%, 7.5% and 7.5% issued shares of Sun Foo Sing, respectively. Mr. Lam beneficially owns 300,000 Shares. Mr. Lam is an executive Director and the compliance officer of the Company.
- Bright Creator, Mr. Chan and his spouse Ms. Liu Siu Kuen, Sun Foo Sing, Mr. Ho Wood Yam, Mr. Tsui King Foo, Mr. Lam, Mr. Tsui Chi Kit and Ms. Tsui Yuk Yi are parties acting in concert.

4. Mr. Wong beneficially owns 59,324,960 Shares. Mr. Wong is an executive Director.
5. Sky Gain beneficially owns 59,324,960 Shares. Each of Mr. Chow Yiu Pong David, Mr. Chow Chor Ting Anthony and Mr. Tam Chie Sang owns 37.5%, 37.5% and 25% issued shares of Sky Gain, respectively. Mr. Chow Yiu Pong David is an executive Director.
6. Universal Palm Limited beneficially owns 23,540,000 Shares. Mr. Tsang Chiu Chun owns 100% issued shares of Universal Palm Limited. Mr. Tsang Chiu Chun is the director of a subsidiary of the Company.
7. Prof. Wong Lung Tak Patrick beneficially owns 4,250,000 Shares and Ms. Yuen Wan Yee Betty, the spouse of Prof. Wong Lung Tak Patrick, beneficially owns 100,000 Shares. Prof. Wong Lung Tak Patrick is an independent non-executive Director.
8. Please note that the percentages may not add up to subtotal due to rounding.

In addition, it was stated that Mr. Chan beneficially owns 13,350,000 Shares as at the date of the Announcement and as at the Latest Practicable Date of the Prospectus on page 2 and 11 of the Announcement and page 13 and 26 of the Prospectus, the Company wishes to clarify that Mr. Chan beneficially owns 13,400,000 Shares as at the date of the Announcement and as at the Latest Practicable Date of the Prospectus. Further it was stated that the number of Rights Shares Mr. Chan is entitled under the Rights Issue is 3,337,500 Rights Shares on page 2 and 11 the Announcement and page 13 and 26 of the Prospectus, the Company wishes to clarify that the number of Rights Shares Mr. Chan is entitled under the Rights Issue is 3,350,000 Rights Shares.

DIRECTORS' VIEW

Having taken into account the relevant circumstances (including the fact that the nature of the information described above does not constitute any significant change affecting any matter contained in the Prospectus or give rise to a significant new matter, the inclusion of information in respect of which would have been required to be in the Prospectus if it had arisen before the Prospectus was issued), the Directors do not consider such changes sufficiently significant so as to warrant the issue of a supplemental prospectus under Rule 11.13 of the Listing Rules.

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.