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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 – 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).

On 31 December 2019, Excel Linker (Hong Kong) Limited, an indirect wholly-owned subsidiary of the Company received a Writ of Summons together with an indorsement of claim (the “**Indorsement**”) dated 31 December 2019 issued in the High Court of The Hong Kong Special Administrative Region (the “**Court Action**”) by Foxhill Investments Limited as plaintiff (the “**Plaintiff**”) against Excel Linker (Hong Kong) Limited as defendant (the “**Defendant**”).

It is stated in the Indorsement that the Plaintiff’s claim against the Defendant is in relation to the breach of the Tenancy Agreement dated 18 April 2018 (the “**Tenancy Agreement**”) for wrongfully failing and/or refusing to pay the rent and/or management fees and/or government rates in respect of the Premises located at Units 201-202 on the Second Floor of Infinitus Plaza, No.199 Des Voeux Road, Central, Hong Kong (the “**Premises**”) since 1 October 2019.

The Plaintiff seeks against the Defendant the following reliefs:

- (1) vacant possession of the Premises;
- (2) the sum of HK\$3,795,000 being arrears of rent pursuant to the Tenancy Agreement for the periods from 1 October 2019 to 31 December 2019 (the “**Periods**”);
- (3) the sum of HK\$591,468 being arrears of management fees pursuant to the Tenancy Agreement for the Periods;

- (4) the sum of HK\$500 being late payment administration charges pursuant to the Tenancy Agreement;
- (5) arrears of rent and/or mesne profits at the rate of HK\$1,265,000 per month and/or at such turnover rent from 1 January 2020 to the date when vacant possession of the Premises is delivered up by the Defendant to the Plaintiff;
- (6) management fees at the rate of HK\$197,156 per month or at such rate shall be adjusted pursuant to the Tenancy Agreement from 1 January 2020 to the date when vacant possession of the Premises is delivered up by the Defendant to the Plaintiff;
- (7) rates per quarter at the rate to be assessed by the Commissioner of Rating and Valuation from 1 October 2019 to the date when vacant possession of the Premises is delivered up by the Defendant to the Plaintiff;
- (8) interests in respect of the sums of HK\$3,795,000 and HK\$591,468, as pleaded in (2) and (3) hereinabove pursuant to:—
 - (a) the Tenancy Agreement from the date of arrears to 31 December 2019 at the rate of 2% per month in the sum of HK\$211,739.01 and further interest until the date of payment; or alternatively
 - (b) sections 48 and 49 of the High Court Ordinance (Cap.4) on such sum(s) at such rate (s) and for such period(s) as the Court shall see fit;
- (9) interest in respect of arrears of rent and/or mesne profits, management fees, air-conditioning charge, utilities charge, government rates from 1 January 2020 to the date when vacant possession of the Premises is delivered up by the Defendant to the Plaintiff pursuant to:
 - (a) the Tenancy Agreement from the date of arrears to the date of payment at the rate of 2% per month; or alternatively
 - (b) sections 48 and 49 of the High Court Ordinance (Cap.4) on such sum(s) at such rate(s) and for such period(s) as the Court shall see fit;
- (10) damages for repudiation of the Tenancy Agreement to be assessed;
- (11) further and/or other relief; and
- (12) costs of the Court Action on solicitors and client basis pursuant to the Tenancy Agreement.

The Company is currently seeking legal advice in respect of the foregoing. The Company is of the view that the Court Action 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.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 6 January 2020

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.