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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.

Further to the Company’s announcement dated 16 December 2019 regarding the Group’s cooperation with Alibaba Group Holding Limited (阿里巴巴集團控股有限公司) (“**Alibaba Group**”) in Shenzhen region of the PRC, the board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that the Group and Shanghai Freshippo Network Technology Co., Ltd.* (上海盒馬網絡科技有限公司) (“**Shanghai Freshippo**”), a member of Alibaba Group have entered into a cooperation agreement on 9 January 2020 (the “**Cooperation Agreement**”) for a period of 3 years. The Cooperation Agreement provides the Group to access the growing food delivery and takeaway market in Shanghai 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 Shanghai Freshippo physical stores, and offer the Company’s cooked-on-site Cantonese dim sum dishes exclusively to Shanghai Freshippo customers in specific stores. The Company will also provide specialty Cantonese food such as dim sum, stew soup, dessert and festive delicacies. Shanghai 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 Shanghai Freshippo stores on or before 31 December 2020. The Company will leverage Freshippo brand awareness and high consumer 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 Cantonese dim sum dishes and other signature dishes, Shanghai Freshippo will provide an exquisite shopping experience to Shanghai 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 Cantonese dim sum dishes and delicacies under the brand of "Star of Canton". Besides, the entering into of the Cooperation Agreement also allows the Group to extend its business cooperation with Alibaba Group beyond the Greater Bay Area to the Shanghai region.

Further announcement(s) in relation to such transactions contemplated under the Cooperation Agreement will be made by the Company as and when appropriate in compliance with the Listing Rules. **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, 9 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, Ms. Chan Wai Sze Josephine and Ms. Zhu Xueqin; the non-executive Director is Mr. Chow Yiu Pong David; and the independent non-executive Directors are Mr. Liu Chi Keung, Prof. Wong Lung Tak Patrick, Mr. Tam Tak Kei Raymond and Mr. Yuen Ching Bor Stephen.

* *For identification purposes only*