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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)

SUPPLEMENTAL ANNOUNCEMENT PROFIT ALERT – REDUCTION IN LOSS

References are made to (i) the profit alert announcement of Li Bao Ge Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) on 23 August 2023 (the “**Profit Alert Announcement**”) in relation to the Group’s expected record of a decrease in loss after tax for the six months ended 30 June 2023 (the “**Profit Alert**”), and (ii) the announcement dated 10 August 2023 jointly issued by the Company and Kafelaku Coffee Industrial Limited (the “**Rule 3.5 Joint Announcement**”) in relation to, among others, the mandatory conditional cash offer made by Silverbricks Securities Company Limited, for and on behalf of the Kafelaku Coffee Industrial Limited, to acquire all the issued shares of the Company (other than those already owned or agreed to be acquired by Kafelaku Coffee Industrial Limited, Mr. Liang Naiming and parties acting in concert with any of them) pursuant to Rule 26.1 of the Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong. Capitalised terms used herein shall have the same meanings as those defined in the Profit Alert Announcement and the Rule 3.5 Joint Announcement unless the context requires otherwise.

The Profit Alert included in the Profit Alert Announcement constitutes a profit forecast under Rule 10 of the Takeovers Code and should therefore be reported on by the Company’s financial adviser and auditors or accountants in accordance with the Takeovers Code.

In view of the requirements of timely disclosure of the inside information under Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) of Part XIVA of the SFO, the Company is required to issue the Profit Alert Announcement as soon as practicable and given the time constraints, the Company had genuine practical difficulties in also meeting the requirements of Rule 10.4 of the Takeovers Code when fulfilling its corresponding obligations under Rule 13.09(2) of the Listing Rules. Accordingly, the Profit Alert does not meet the standard required by Rule 10 of the Takeovers Code.

The Profit Alert Announcement constitutes a “document” under the definition of the Takeovers Code and the Profit Alert Announcement should have been submitted to the Executive of the SFC for vetting before it was published in compliance with Rule 12.1 of the Takeovers Code. Due to an oversight of the relevant requirement, as hastened by need to timely disclose the subject matter in the Profit Alert Announcement, the Company did not submit the Profit Alert Announcement in advance to the SFC. The Company acknowledges that the Profit Alert Announcement should have complied with Practice Note 2 and Rule 10 of the Takeovers Code and will carefully observe and comply with all relevant requirements under the Takeovers Code and Practice Notes in future.

Pursuant to Rule 10.4 of the Takeovers Code and Practice Note 2 of the Takeovers Code, the reports from the Company’s financial adviser and auditors or accountants on the Profit Alert are required to be included in the next document to be sent to the Shareholders (the “**Shareholders’ Document**”). It is expected that the Company’s announcement of interim results together with the notes to the financial statements for the six months ended 30 June 2023 (the “**Interim Results Announcement**”) is expected to be published prior to the despatch of the next Shareholders’ Document. If this is the case, the requirement under Rule 10 of the Takeovers Code to report on the Profit Alert is expected to be superseded by the publication of the Interim Results Announcement. Otherwise, the Profit Alert shall be reported on in accordance with Rule 10 of the Takeovers Code and the relevant reports will be included in the next Shareholders’ Document.

Shareholders and potential investors of the Company should note that the Profit Alert has not been reported on in accordance with the requirements under Rule 10 of the Takeovers Code and does not meet the standard required by Rule 10 of the Takeovers Code. Shareholders and potential investors of the Company should therefore exercise caution in placing reliance on the Profit Alert in assessing the merits and demerits of the Offer (as detailed in the Rule 3.5 Joint Announcement). Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

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

Hong Kong, 24 August 2023

As at the date of this announcement, the executive Directors are Mr. Chan Chun Kit, Ms. Chan Josephine Wai Sze, Ms. Zhu Xueqin and Mr. Liang Naiming; 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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.