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利·寶·閣

Li Bao Ge Group Limited

利寶閣集團有限公司

KAFELAKU COFFEE INDUSTRIAL LIMITED

(Incorporated in the British Virgin Islands with limited liability)

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1869)

JOINT ANNOUNCEMENT

**MANDATORY CONDITIONAL CASH OFFER BY
SILVERBRICKS SECURITIES COMPANY LIMITED
FOR AND ON BEHALF OF THE OFFEROR
TO ACQUIRE ALL THE ISSUED SHARES IN
LI BAO GE GROUP LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE
ACQUIRED BY THE OFFEROR AND/OR
PARTIES ACTING IN CONCERT WITH IT)**

- (1) THE OFFER HAS BECOME UNCONDITIONAL IN ALL RESPECTS;
AND
(2) THE OFFER REMAINS OPEN FOR ACCEPTANCE**

Joint Financial Advisers to the Offeror



元庫證券有限公司
SILVERBRICKS SECURITIES CO., LTD.



建泉融資有限公司
VBG Capital Limited

Offer Agent to the Offeror



元庫證券有限公司
SILVERBRICKS SECURITIES CO., LTD.

Independent Financial Adviser to the Independent Board Committee

VINCO 榮高

Vinco Financial Limited

THE OFFER HAS BECOME UNCONDITIONAL IN ALL RESPECTS

As at 4:00 p.m. (Hong Kong time) on Tuesday, 19 September 2023, the Offeror has received valid acceptances in respect of an aggregate of 182,747,460 Offer Shares under the Offer (the “**Acceptance Shares**”), representing approximately 16.54% of the entire issued share capital of the Company as at the date of this joint announcement. Immediately before the commencement of the Offer, the Offeror’s Concert Group was interested in 381,161,400 Shares, representing approximately 34.49% of the total issued share capital of the Company. Taking into account the Acceptance Shares and the Shares already owned by the Offeror’s Concert Group, as at the date of this joint announcement, the Offeror’s Concert Group held an aggregate of 563,908,860 Shares, representing approximately 51.03% of the entire issued share capital of the Company. Accordingly, the condition of the Offer set out in the Composite Document has been satisfied, and the Offer has become unconditional in all respects as at 4:00 p.m. on the date of this joint announcement (i.e. 19 September 2023).

THE OFFER REMAINS OPEN FOR ACCEPTANCE

Pursuant to Rule 15.3 of the Takeovers Code, the Offer must remain open for acceptances for not less than 14 days after the Offer becomes or is declared unconditional (whether as to acceptances or in all respects), but in any case at least 21 days following the date on which the Composite Document is posted. Accordingly, the Offer will remain open for acceptance until 4:00 p.m. on Tuesday, 3 October 2023 (or such later time and/or date as the Offeror may, with the consent of the Executive and in accordance with the Takeovers Code, decide). Save as disclosed in this joint announcement, all other terms of the Offer as set out in the Composite Document and the Form of Acceptance remain unchanged.

Shareholders are advised to refer to the Composite Document and the Forms of Acceptance if they wish to accept the Offers. Further announcement on the results of the Offers will be made in accordance with Rule 19.1 of the Takeovers Code.

Reference is made to (i) the joint announcement issued by Li Bao Ge Group Limited (the “**Company**”) and Kafelaku Coffee Industrial Limited (the “**Offeror**”) dated 10 August 2023 in respect of, amongst others, the Sale and Purchase Agreement and the Offer; (ii) the composite offer and response document in respect of the Offer jointly issued by the Offeror and the Company dated 31 August 2023 (the “**Composite Document**”); and (iii) the joint announcement issued by the Offeror and the Company dated 31 August 2023 in relation to the despatch of the Composite Document. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Composite Document.

THE OFFER HAS BECOME UNCONDITIONAL IN ALL RESPECTS

As disclosed in the Composite Document, the Offer is conditional upon valid acceptances of the Offer Shares being received (and not, where permitted, withdrawn) by 4:00 p.m. on the first Closing Date (or such other time as the Offeror may, subject to the Takeovers Code, decide) which, together with Shares acquired before or to be acquired before or during the Offer Period, will result in the Offeror's Concert Group holding more than 50% of the voting rights of the Company.

As at 4:00 p.m. on Tuesday, 19 September 2023, the Offeror has received an aggregate of 182,747,460 Acceptance Shares, representing approximately 16.54% of the entire issued share capital of the Company as at the date of this joint announcement. Immediately before the commencement of the Offer, the Offeror's Concert Group was interested in 381,161,400 Shares, representing approximately 34.49% of the total issued share capital of the Company. Taking into account the Acceptance Shares and the Shares already owned by the Offeror's Concert Group, as at the date of this joint announcement, the Offeror's Concert Group held an aggregate of 563,908,860 Shares, representing approximately 51.03% of the entire issued share capital of the Company. Accordingly, the condition of the Offer set out in the Composite Document has been satisfied, and the Offer has become unconditional in all respects as at 4:00 p.m. on the date of this joint announcement (i.e. 19 September 2023).

Save for the 381,161,400 Shares (representing approximately 34.49% of the entire issued share capital of the Company as at the date of this joint announcement) already held by the Offeror's Concert Group before the commencement of the Offer and the Acceptance Shares, none of the members of the Offeror's Concert Group (i) held, owned or had control or direction over any Shares, voting rights or rights over Shares, convertible securities, warrants, options or derivatives of the Company immediately before the commencement of the Offer Period; (ii) has acquired or agreed to acquire any Shares or rights over Shares since the commencement of the Offer Period and up to the date of this joint announcement; or (iii) has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company since the commencement of the Offer Period and up to the date of this joint announcement.

THE OFFER REMAINS OPEN FOR ACCEPTANCE

Pursuant to Rule 15.3 of the Takeovers Code, the Offer must remain open for acceptances for not less than 14 days after the Offer becomes or is declared unconditional (whether as to acceptances or in all respects), but in any case at least 21 days following the date on which the Composite Document is posted. Accordingly, the Offer will remain open for acceptance until 4:00 p.m. on Tuesday, 3 October 2023 (or such later time and/or date as the Offeror may, with the consent of the Executive and in accordance with the Takeovers Code, decide). Save as disclosed in this joint announcement, all other terms of the Offer as set out in the Composite Document and the Form of Acceptance remain unchanged. Further announcement on the results of the Offer will be made in accordance with Rule 19.1 of the Takeovers Code.

Shareholders are advised to refer to the Composite Document and the Forms of Acceptance if they wish to accept the Offers. Further announcement on the results of the Offers will be made in accordance with Rule 19.1 of the Takeovers Code.

SETTLEMENT OF THE OFFER

Remittances in respect of the cash consideration for the Offer Shares (after deducting the seller's ad valorem stamp duty in respect of acceptance of the Offer) tendered under the Offer will be despatched to the accepting Independent Shareholder(s) (to the address specified on the relevant Form of Acceptance) by ordinary post at his/her/its own risk as soon as possible, but in any event within seven (7) Business Days following the later of (i) the date on which the duly completed Form of Acceptance(s) and the relevant documents of title in respect of such acceptances are received by the Registrar to render such acceptance complete and valid or (ii) the date on which the Offer becomes, or is declared, unconditional in all respects (i.e. the date of this joint announcement, 19 September 2023).

Independent Shareholders are encouraged to read the Composite Document and the accompanying Form of Acceptance carefully, including the advice from the Independent Financial Adviser to the Independent Board Committee and the recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Offer, before deciding whether or not to accept the Offer.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. If the Shareholders and potential investors of the Company are in any doubt about their position, they should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.

The Offeror and the Company remind their respective associates of the dealing restrictions under the Takeovers Code and to disclose their permitted dealings, if any, in any securities of the Company.

All references to times and dates contained in this joint announcement refer to Hong Kong times and dates.

By order of the board of directors of
Kafelaku Coffee Industrial Limited
Liang Naiming
Sole Director

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

Hong Kong, 19 September 2023

As at the date of this joint announcement, Mr. Liang Naiming is the sole director of the Offeror. As the sole director of the Offeror, Mr. Liang Naiming accepts full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Vendors, the Directors and the Group) and confirm, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than that expressed by the Directors in their capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement, other than that relating to the Offeror's Concert Group, and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than that expressed by the sole director of the Offeror in his capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.

As at the date of this joint 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.

This joint announcement will remain on the "Latest Listed Company Information" page of the website of the Stock Exchange for a minimum period of 7 days from the date of publication and on the website of the Company at <http://www.starofcanton.com.hk>.

In the case of inconsistency, the English version of this joint announcement shall prevail over the Chinese version.