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(Incorporated under the laws of the Cayman Islands with limited liability)

(Stock Code: 2223)

MEMORANDUM OF UNDERSTANDING IN RESPECT OF POSSIBLE INVESTMENT

This announcement is made by Casablanca Group Limited (“Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

MEMORANDUM OF UNDERSTANDING

The board (“Board”) of directors (“Directors”) of the Company is pleased to announce that, after the trading hours on 8 June 2015, Rich Creation Asia Investment Limited (“Subscriber”), a wholly owned subsidiary of the Company, entered into a non-legally binding memorandum of understanding (“MOU”) with a limited company incorporated in Hong Kong (“Target Company”) in respect of possible investment of US\$1,000,000 in the Target Company (“Possible Investment”) by way of subscription of its new shares to the effect that the Subscriber shall own 15% of equity interest in the Target Company.

The Possible Investment contemplated under the MOU is subject to entering into of a formal agreement between the Subscriber and the Target Company. The MOU is non-legally binding in nature. The parties shall negotiate with each other with the aim of agreeing and reaching a formal agreement in relation to the Possible Investment. If the Possible Investment proceeds, the Board will take appropriate steps as and when required to announce the transaction in compliance with the Listing Rules.

INFORMATION OF THE TARGET COMPANY

The Target Company and its subsidiaries (“Target Group”) are principally engaged in online business. The Target Group operates a television shopping channel in Guangdong Province in the People’s Republic of China (“PRC”) and possesses internet shopping platforms and mobile shopping platforms building a virtual retailing business model in the PRC.

To the best knowledge of the Directors and having made all reasonable enquiries, the Target Company and its ultimate beneficial owners are third parties independent of and not connected with the Directors, chief executive or substantial shareholder(s) of the Company or any of its subsidiaries or any of their respective associates as defined in the Listing Rules.

REASONS FOR THE POSSIBLE INVESTMENT

The Group is principally engaged in designing, manufacturing, distribution and retailing of bedding products and accessories. The Group has been identifying and exploring suitable investments with potential and synergy effect to its existing businesses. The Board believes that the Possible Investment is in line with the Group’s investment strategy and will allow the Group to expand its sales channels to virtual retail shops on television, internet and mobile platforms in the PRC.

GENERAL

As the MOU may or may not lead to the entering into a formal agreement and the Possible Investment may or may not proceed, shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

On behalf of the Board
Casablanca Group Limited
Cheng Sze Kin
Chairman

Hong Kong, 8 June 2015

As at the date of this announcement, the Board comprises Mr. Cheng Sze Kin (Chairman), Mr. Cheng Sze Tsan (Vice-chairman), Ms. Wong Pik Hung and Mr. Kwok Yuen Keung Tommy as Executive Directors, Mr. Mok Tsan San as Non-executive Director, and Mr. Zhang Senquan, Mr. Kam Leung Ming and Mr. Leung Yiu Man as Independent Non-executive Directors.