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Casablanca Group Limited
卡撒天嬌集團有限公司

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

(Stock Code: 2223)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the five months ended 31 May 2020 and the management's estimate, it is anticipated that the unaudited consolidated profit attributable to the Shareholders for the six months ending 30 June 2020 is expected to decrease substantially as compared to that for the corresponding period in 2019.

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

This announcement is made by Casablanca Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) 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) (the “**SFO**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the five months ended 31 May 2020 and the management's estimate, it is anticipated that the unaudited consolidated profit attributable to the Shareholders for the six months ending 30 June 2020 (the “**Period**”) is expected to decrease substantially as compared to that for the corresponding period in 2019. Based on the information currently available, the expected

substantial decrease in the unaudited consolidated profit attributable to the Shareholders was mainly attributable to a decrease in sales of the Group for the Period which resulted from (i) the adverse impacts on self-operated retail sales from the outbreak of COVID-19 pandemic in Hong Kong and Mainland China in early 2020, and (ii) less wholesales achieved. The management estimates that there will be a decrease in sales of the Group by roughly around 30% for the Period as compared to that for the corresponding period in 2019.

Based on the review of the unaudited consolidated management accounts of the Group for the five months ended 31 May 2020 and the information currently available, a trend of rebound in the Group's retail sales in Hong Kong with improvement of consumer sentiment since April 2020 is observed. With not less than HK\$150 million of cash and cash equivalent as of 30 June 2020 as estimated by the management, the liquidity of the Group remains very strong. The Group will closely monitor the market situation and the development of COVID-19 pandemic and will focus on closing some unprofitable self-operated points of sales in Mainland China and grasping all available wholesales opportunities for the rest of this year to maximize the profitability of the Group.

The Company is in the process of finalizing the interim results for the Period. The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group for the five months ended 31 May 2020 and information currently available to the Board, which have not been reviewed by or discussed with the auditors of the Company and that the actual results of the Group for the Period may be different from what is disclosed in this announcement. The interim results announcement of the Company for the Period is expected to be released in August 2020 pursuant to the requirements of the Listing Rules.

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By Order of the Board
Casablanca Group Limited
Cheng Sze Kin
Chairman

Hong Kong, 29 June 2020

As at the date of this announcement, the Board comprises Mr. Cheng Sze Kin (Chairman), Mr. Cheng Sze Tsan (Vice-chairman) and Ms. Wong Pik Hung as Executive Directors, and Mr. Lo Siu Leung, Dr. Cheung Wah Keung and Mr. Chow On Wa as Independent Non-executive Directors.