CASABLANCA® HOME

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)

POSITIVE PROFIT ALERT

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 2017 and the management's estimate, it is anticipated that the Group will record a significant increase in profit for the six months ending 30 June 2017 as compared to that for the corresponding period in 2016.

Shareholders and potential investors 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 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 2017 and the management's estimate, it is anticipated that the Group will record a significant increase in profit for the six months ending 30 June 2017 as compared to that for the corresponding period in 2016.

Despite the absence of the gain on deregistration of a subsidiary in the People's Republic of China (the "**PRC**") and the overall decrease in retail sales, the anticipated significant increase in profit for the six months ending 30 June 2017, based on the information currently available, is mainly due to the following factors:

(i) the decrease in selling and distribution costs, especially the royalty payments in the PRC for a licensed brand terminated in 2016, the concessionaire commissions and related expenses for department store counters and the advertising and promotional expenses;
(ii) the decrease in staff cost with the PRC retail headquarters moved from Shenzhen to Huizhou in 2016 and none of expenses of share-based payment;
(iii) the absence of the provision for impairment loss on available-for-sale investment and convertible bond; and
(iv) the improvement in operations of subsidiaries in the PRC.

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 2017 which have not been reviewed by or discussed with the auditors of the Company and that the actual results of the Group for the six months ending 30 June 2017 may be different from what is disclosed in this announcement. The interim results announcement of the Company for the six months ending 30 June 2017 is expected to be released in August 2017.

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

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

Hong Kong, 4 July 2017

As as 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, Mr. Mok Tsan San as Non-executive Director and Mr. Zhang Senquan, Dr. Cheung Wah Keung and Mr. Chow On Wa as Independent Non-executive Directors.