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)

UPDATE ON 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 further inform the Shareholders and potential investors that, based on the preliminary review of the latest unaudited consolidated management accounts of the Group for the six months ended 30 June 2018 and taking into consideration of the information currently available to the Board, the Group is expected to record a loss for the six months ended 30 June 2018 instead of a substantial decrease in the unaudited consolidated profit attributable to the Shareholders for the six months ended 30 June 2018 as compared to that for the corresponding period in 2017 as disclosed in the Profit Warning Announcement.

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 (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**").

Reference is made to the profit warning announcement of the Company dated 25 June 2018 (the "**Profit Warning Announcement**"). Capitalised terms used herein shall have the same meanings as defined in the Profit Warning Announcement, unless otherwise specified.

The Board wishes to further inform the Shareholders and potential investors that, based on the preliminary review of the latest unaudited consolidated management accounts of the Group for the six months ended 30 June 2018, and taking into consideration of the information currently available to the Board, the Group is expected to record a loss for the six months ended 30 June 2018 instead of a substantial decrease in the unaudited consolidated profit attributable to the Shareholders for the six months ended 30 June 2018 as compared to that for the corresponding period in 2017 as disclosed in the Profit Warning Announcement.

Based on the information currently available, the Board believes that, save for those factors disclosed in the Profit Warning Announcement, the expected loss is primarily attributable to the following factors:

(i) the exchange loss recorded by the Group in June 2018 exceeded the exchange gain for the five months ended 31 May 2018 due to a sharp depreciation of the Renminbi against the Hong Kong Dollar for the month of June 2018; and

(ii) operation losses of the subsidiaries of the Company in the People’s Republic of China for the month of June 2018 were more than that had been expected.

The Company is in the process of finalising the interim results of the Group for the six months ended 30 June 2018. The information contained in this announcement is only based on the information currently available to the Board and the latest assessment by the Board with reference to the latest unaudited consolidated management accounts of the Group for the six months ended 30 June 2018, which is subject to finalisation and confirmation by the auditors of the Company and the approval of the Board and may be subject to changes and adjustments. The actual results of the Group for the six months ended 30 June 2018 may be different from what is disclosed in this announcement. The interim results announcement of the Company for the six months ended 30 June 2018 is expected to be released in mid-to-late August 2018 pursuant to the requirements of the Listing Rules.

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, 25 July 2018

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.