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*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2223)**

## **SUPPLEMENTAL CONSTRUCTION AGREEMENT FOR PHASE II OF CASABLANCA INDUSTRIAL PARK IN HUIZHOU**

Reference is made to (i) the announcement of Casablanca Group Limited (the “**Company**”) dated 30 October 2020 (the “**Announcement**”); and (ii) the circular of the Company dated 15 December 2020 (the “**Circular**”) in relation to, among others, the Construction Agreement between Casablanca Huizhou and Huizhou Dongjiang for the Construction of phase II of the Casablanca Industrial Park for a total consideration of RMB46,012,424 (equivalent to approximately HK\$54,755,000). Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcement and the Circular.

### **SUPPLEMENTAL CONSTRUCTION AGREEMENT**

The Board is pleased to announce that on 16 April 2021, in view of an alteration of design of the ground floor of the new factory building B, Casablanca Huizhou and Huizhou Dongjiang entered into a supplemental agreement to the Construction Agreement (the “**Supplemental Construction Agreement**”), pursuant to which Casablanca Huizhou and Huizhou Dongjiang agreed to an upward adjustment of the total consideration by RMB2,567,971 (equivalent to approximately HK\$3,056,000), representing about 5.6% of the original total consideration. The new total consideration (as adjusted) under the Construction Agreement (as supplemented by the Supplemental Construction Agreement) is RMB48,580,395 (equivalent to approximately HK\$57,811,000) (the “**Adjusted Consideration**”).

Save as disclosed above, all other terms and conditions of the Construction Agreement shall remain unchanged and continue in full force and effect in all respects. The Supplemental Construction Agreement shall not affect the payment schedule and the completion of the Construction, which is still expected to complete within 365 days after the actual commencement date of the Construction on 18 December 2020, subject to the satisfaction of the relevant governmental authorities and Casablanca Huizhou. The Board considers that the

Supplemental Construction Agreement (in particular the Adjusted Consideration) does not constitute a material variation to the original terms under the Construction Agreement.

The Adjusted Consideration as agreed in the Supplemental Construction Agreement was arrived at after arm's length negotiations among Casablanca Huizhou and Huizhou Dongjiang and with reference to the project cost budget prepared by Huizhou Jianxun based on the alteration of relevant design of the Construction.

The Adjusted Consideration will be financed by the internal resources of the Group and any other means as the Group considers appropriate. The Group considers that, save as disclosed, the additional consideration as agreed in the Supplemental Construction Agreement would not materially affect the disclosures made in the Circular.

### **INFORMATION ON HUIZHOU DONGJIANG**

As disclosed in the Circular, Huizhou Dongjiang's principal business is building construction. To the best of the Directors' knowledge, information and brief having made all reasonable enquiries, Huizhou Dongjiang and its ultimate beneficial owners (including all its employees collectively through 惠州市東江建築安裝工程有限公司工會委員會 (the Trade Union Committee of Huizhou Dongjiang Construction and Installation Engineering Co., Ltd.\*), Mr. 陳寶志 (Chen Baozhi\*), Mr. 賴方策 (Lai Fangce\*), Mr. 葉衛星 (Ye Weixing\*) and Mr. 書植彬 (Shu Zhibin\*) owned its registered capital as to 39.99%, 15.00%, 15.00%, 15.00% and 15.00% respectively) are third parties independent of the Company and its connected persons at the date of the Supplemental Construction Agreement.

### **REASONS FOR AND BENEFITS OF THE SUPPLEMENTAL CONSTRUCTION AGREEMENT**

On completion, the new factory building B will still be a complex comprising production facilities, research and development centre, office, showroom, training rooms and conference rooms as initially planned. The alteration of design of the ground floor of the new factory building B with an upper ground floor added will increase the total construction area of 23,294.4 square metres under the Construction by about 7.1% to 24,959.4 square metres. The increase in construction area will provide additional space for use and benefit the operations of the Group.

The Directors consider that the Adjusted Consideration and the terms of the Supplemental Construction Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Construction (based on the original consideration) was more than 25% but all were less than 100%, the Construction constituted a major transaction of the Company and was subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules. A written Shareholders' approval was obtained from World Empire, the controlling Shareholder of the Company holding 150,000,000 Shares, representing approximately 58.2% of the total number of issued Shares of the Company, in respect of the Construction.

The Adjusted Consideration and the Supplemental Construction Agreement will not result in a change in classification (i.e. all applicable percentage ratios in respect of the Construction contemplated thereunder remain to be less than 100%), and the Construction Agreement (as supplemented by the Supplemental Construction Agreement) and the Construction contemplated thereunder remain to be a major transaction of the Company under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, none of the Shareholders has any material interest in the Supplemental Construction Agreement.

*\* for identification purpose only*

*For the purpose of this announcement, unless otherwise indicated, the exchange rate of RMB1=HK\$1.19 has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such rate or at all.*

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

Hong Kong, 16 April 2021

*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.*