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

**(Stock Code: 2223)**

## **PROFIT WARNING**

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 2023 and the management’s estimate after taking into account the information currently available, it is anticipated that the Group will record a loss attributable to the Shareholders in the range of approximately HK\$11.0 million to HK\$14.0 million for the six months ended 30 June 2023 as compared to the profit attributable to the Shareholders of approximately HK\$2.6 million for the corresponding period in 2022.

The anticipated change from profit to loss attributable to the Shareholders is primarily attributable to (a) the decline of sales as a result of the weak retail sentiment in Hong Kong and the lack of a large scale one-off wholesales; (b) the increase in selling and distribution costs which was mainly due to staff costs and promotional expenses incurred for the livestream sales business in Mainland China; and (c) decreases in other income/ gains including, among others, COVID-19-related subsidies, which were no longer available in 2023, under the 2022 Employment Support Scheme launched by the Hong Kong government and the gain on disposal of property, plant and equipment recorded during the six months ended 30 June 2022.

The Company is in the process of finalising the interim results for the six months ended 30 June 2023. 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 2023 and the information currently available to the Board, which have not been reviewed by or discussed with the auditors of the Company or the audit committee of the Company and that the actual results of the Group for the six months ended 30 June 2023 may be different from what is disclosed in this announcement. Shareholders and potential investors are advised to read carefully the interim results announcement of the Company for the six months ended 30 June 2023 which is expected to be released in August 2023 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, 4 July 2023

*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.*