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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 eleven months ended 30 November 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\$9.0 million to HK\$11.0 million for the year ended 31 December 2023 as compared to the a profit attributable to the Shareholders of approximately HK\$5.4 million for the year ended 31 December 2022.

The expected loss attributable to the Shareholders for the year ended 31 December 2023, as compared to the profit-making position for the corresponding period in 2022, was primarily attributable to (a) the increase in selling and distribution costs which was mainly due to the increased staff costs and promotional expenses incurred in the course of developing and conducting the livestream sales business in Mainland China; and (b) decreases in other income/gains including, among others, the unavailability of COVID-19-related subsidies in 2023 following the cessation of the 2022 Employment Support Scheme launched by the Hong Kong government and less gain on disposal of property, plant and equipment recorded for 2023, despite the decrease in exchange loss in 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 eleven months ended 30 November 2023 and the information currently available to the Board, which have not been reviewed or audited by the auditors of the Company or the audit committee of the Company and may be subject to changes and adjustments. The actual results of the Group for the year ended 31 December 2023 may be different from what is disclosed in this announcement. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for the year ended 31 December 2023, which is expected to be published in March 2024 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 January 2024

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.