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Casablanca Group Limited

卡撒天嬌集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2223)

**CONNECTED TRANSACTION
RENEWAL OF LEASE AGREEMENT**

RENEWAL OF LEASE AGREEMENT

Reference is made to the announcement of the Company dated 15 December 2023 in relation to, among other things, the Lease Agreement with Gain Harvest, being connected person of the Company, to be expired on 31 December 2026.

On 16 October 2026, the Board considered and passed a resolution in relation to the renewal of Lease Agreement for 3 years from 1 January 2027 to 31 December 2029 as the connected transaction.

LISTING RULES IMPLICATIONS

Gain Harvest is ultimately beneficially owned by Mr. Cheng Sze Kin and Ms. Wong Pik Hung, who are each an executive Director and a substantial shareholder of the Company. Gain Harvest is therefore an associate of Mr. Cheng Sze Kin and Ms. Wong Pik Hung and a connected person of the Company under Chapter 14A of the Listing Rules.

In accordance with HKFRS 16 “Leases”, the Group will recognize rental payments under the Renewed Lease Agreement as right-of-use asset with an estimated value of approximately HK\$3,610,000 as at 1 January 2027. The transaction contemplated under the Renewed Lease Agreement will be recognized as the acquisition of right-of-use asset which will constitute one-off transaction of the Company under Chapters 14 and 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the estimated value of the right-of-use asset to be recognized by the Group in connection with the Renewed Lease Agreement exceeds 0.1% but all are less than 5%, the transaction contemplated under the Renewed Lease Agreement constitutes a connected transaction of the Company, and hence is subject to reporting and announcement requirements but is exempt from the independent shareholders’ approval requirements pursuant to Rule 14A.76(2)(a) of the Listing Rules.

INTRODUCTION

Reference is made to the announcement of the Company dated 15 December 2023 in relation to, among other things, the Lease Agreement with Gain Harvest, being connected person of the Company, to be expired on 31 December 2026.

On 16 October 2026, the Board considered and passed a resolution in relation to the renewal of Lease Agreement for 3 years from 1 January 2027 to 31 December 2029 as the connected transaction.

DETAILS OF THE RENEWED LEASE AGREEMENT

The principal terms of the Renewed Lease Agreement are as follows:

Renewed Lease Agreement with Gain Harvest

Date:	16 October 2026
Lessor:	Gain Harvest
Tenant:	Casablanca Hong Kong
Premises:	House No. 29, Kensington Path, The Royal Oaks, 8 Kam Tsin Nam Road, Kwu Tung, Sheung Shui, New Territories, Hong Kong
Approximate saleable area:	376.10 square metres
Lease term:	1 January 2027 to 31 December 2029
Monthly rental:	HK\$110,000 (inclusive of Government rent, rates and management fee)

BASIS OF DETERMINATION OF RENTAL PAYMENT

The rent under the Renewed Lease Agreement was determined on an arm's length basis in accordance with analysis, advice and valuation report provided by an independent property valuer with reference to (i) the conditions of the premises; (ii) the availabilities of properties with similar sizes; and (iii) the prevailing market rents of comparable properties in the vicinity of the premises with the valuation date as of 30 September 2026. In addition, the other terms of the Renewed Lease Agreement were determined with reference to prevailing standardized market terms in similar lease agreements. Therefore, the Company considers that the terms of the Renewed Lease Agreement were determined after arm's length negotiations and conducted on normal commercial terms, and are fair and reasonable and no less favourable to the Group than those available from independent third parties.

REASONS FOR AND BENEFIT OF THE TRANSACTION

The Renewed Lease Agreement was entered into by the Group in order to provide the Group with stable and successive premises for its operations. The Company considers that the renewal of Lease Agreement would allow the Group to continue to utilize the leased premises for its operations and would be beneficial to the Company. Moreover, the rent and terms under the Renewed Lease Agreement are commensurate with prevailing market rents and terms and are no less favourable to the Group than those available from independent third parties.

The Directors, including the independent non-executive Directors, are of the view that the Renewed Lease Agreement and the transaction contemplated thereunder were entered into (i) in the ordinary and usual course of business of the Group; and (ii) on normal commercial terms; and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

DIRECTORS' INTEREST IN THE TRANSACTIONS

Pursuant to the relevant laws and regulations, Listing Rules and the requirements of articles of association of the Company, as Gain Harvest is ultimately beneficially owned by Mr. Cheng Sze Kin and Ms. Wong Pik Hung, they had or were deemed to have material interest in the Renewed Lease Agreement and had therefore abstained from voting on the resolution approving the Renewed Lease Agreement and the transactions contemplated thereunder.

INFORMATION OF THE PARTIES

The Company is an investment holding company and the Group primarily engages in designing, manufacturing, distribution and retailing of bedding products with a focus on the high-end and premium markets under its proprietary “Casa Calvin”, “Casablanca” and “CASA-V” brands.

Casablanca Hong Kong is a wholly-owned subsidiary of the Company and its principal business is distribution and retailing of the Group’s bedding products in Hong Kong and Macau.

Gain Harvest is ultimately beneficially owned by Mr. Cheng Sze Kin and Ms. Wong Pik Hung and is principally engaged in property investment and leasing.

LISTING RULES IMPLICATIONS

Gain Harvest is ultimately beneficially owned by Mr. Cheng Sze Kin and Ms. Wong Pik Hung, who are each an executive Director and a substantial shareholder of the Company. Gain Harvest is therefore an associate of Mr. Cheng Sze Kin and Ms. Wong Pik Hung and a connected person of the Company under Chapter 14A of the Listing Rules.

In accordance with HKFRS 16 “Leases”, the Group will recognize rental payments under the Renewed Lease Agreement as right-of-use asset with an estimated value of approximately HK\$3,610,000 as at 1 January 2027. The transaction contemplated under the Renewed Lease Agreement will be recognized as the acquisition of right-of-use asset which will constitute one-off transaction of the Company under Chapters 14 and 14A of the Listing Rules.

The right-of-use asset is initially measured on present value basis and calculated by discounting the lease payments under the Renewed Lease Agreement, using the incremental borrowing rate as the discount rate. Shareholders should note that the above estimated value of right-of-use asset is unaudited and may be subject to adjustment in the future.

As one or more of the applicable percentage ratios in respect of the estimated value of the right-of-use asset to be recognized by the Group in connection with the Renewed Lease Agreement exceeds 0.1% but all are less than 5%, the transaction contemplated under the Renewed Lease Agreement constitutes a connected transaction of the Company, and hence is subject to reporting and announcement requirements but is exempt from the independent shareholders’ approval requirements pursuant to Rule 14A.76(2)(a) of the Listing Rules.

DEFINITIONS

“Board”	the board of Directors
“Casablanca Hong Kong”	Casablanca Hong Kong Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Company”	Casablanca Group Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the same meaning ascribed to it under the Listing Rules
“Directors”	directors of the Company
“Gain Harvest”	Gain Harvest Investment Limited, a company incorporated in Hong Kong with limited liability, which is wholly-owned by Mr. Cheng Sze Kin and Ms. Wong Pik Hung
“Group”	the Company and its subsidiaries
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong

“Lease Agreement”	the existing lease agreement entered into by Casablanca Hong Kong and Gain Harvest
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Renewed Lease Agreement”	the lease agreement entered into between Casablanca Hong Kong and Gain Harvest on 16 October 2026
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

On behalf of the Board
Casablanca Group Limited
Cheng Sze Kin
Chairman

Hong Kong, 16 October 2026

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.