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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)

(1) MAJOR AND CONNECTED TRANSACTION IN RELATION TO DISPOSAL OF A SUBSIDIARY AND RENEWAL OF LEASE AGREEMENTS; AND (2) DECLARATION OF SPECIAL DIVIDEND

THE DISPOSAL

On November 6, 2026 (after trading hours), the Seller, a direct wholly-owned subsidiary of the Company, and the Buyer entered into the Share Purchase Agreement, pursuant to which the Seller has conditionally agreed to sell and the Buyer has conditionally agreed to purchase the entire issued share capital of the Target Company, for a Consideration of HK$50.0 million.

RENEWAL OF LEASE AGREEMENTS

As the Original Lease Agreements (as defined below) will expire on December 31, 2026, on November 6, 2026, the Board considered and passed a resolution in relation to the Lease Renewal (as defined below) for a further term of 3 years from January 1, 2027 to December 31, 2029, on substantially the same annual rent and terms as the Original Lease Agreements.

DECLARATION OF SPECIAL DIVIDEND

The Board has recommended the payment of a special dividend of HK$0.31 per ordinary share of the Company (equivalent to approximately HK$80.0 million in aggregate) to Shareholders, which is subject to the resolutions in respect of the Disposal being approved at the EGM. Subject to those resolutions being approved, the Company will publish a separate announcement after the EGM setting out the payment arrangements for the special dividend, including the record date, any closure of the register of members and the payment date.

GENERAL

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders as to whether the terms of the Share Purchase Agreement, the Renewed Lease Agreements and the transactions contemplated thereunder are fair and reasonable and in the interest of the Shareholders as a whole and how to vote on the EGM, taking into account the recommendations of the Independent Financial Adviser as appointed by the Company.

A circular containing, among other things, (i) further details of the Share Purchase Agreement and the Renewed Lease Agreements; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Share Purchase Agreement, the Renewed Lease Agreements and the transactions contemplated thereunder; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) the valuation report prepared by the Independent Valuer; (v) a notice of the EGM; and (vi) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before Monday, November 30, 2026 as additional time is required by the Company to prepare and finalise certain information to be included in the circular. If additional time is required to prepare and finalise the information to be included in the circular, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules to extend the time for despatch of the circular.

THE DISPOSAL

The Board is pleased to announce that on November 6, 2026 (after trading hours), the Seller, a direct wholly-owned subsidiary of the Company, and the Buyer entered into the Share Purchase Agreement, pursuant to which the Seller has conditionally agreed to sell and the Buyer has conditionally agreed to purchase the entire issued share capital of the Target Company, for a Consideration of HK$50.0 million.

THE SHARE PURCHASE AGREEMENT

The principal terms of the Share Purchase Agreement are as follows:

(1) Date:

November 6, 2026

(2) Parties:

Seller: Casablanca Home Holdings Limited, a limited liability company incorporated in the BVI and a wholly-owned subsidiary of the Company.

Buyer: Assets World International Holding Limited, a limited liability company incorporated in the BVI and wholly-owned by the Cheng Brothers and Ms. Wong. As at the date of this announcement, the Cheng Brothers and Ms. Wong are executive Directors of the Company.

(3) Subject matter:

Pursuant to the Share Purchase Agreement, the Seller has conditionally agreed to sell and the Buyer has conditionally agreed to purchase the Sale Shares, comprising 100 shares representing the entire issued and paid-up share capital of the Target Company, for a Consideration of HK$50.0 million.

(4) Consideration and payment terms:

The Consideration is HK$50.0 million and shall be paid, or cause to be paid, by the Buyer to the Seller in the following manner:

(a) an amount equal to 10% of the Consideration shall be paid in cash as a refundable deposit (the "**Deposit**") within fourteen (14) Business Days after the date of the Share Purchase Agreement; and

(b) the balance of the Consideration, being 90% thereof, shall be paid in full in cash at Completion.

The Deposit shall be credited against the Consideration at Completion. If (i) the requisite approval by the Independent Shareholders for the transactions contemplated by the Share Purchase Agreement is not obtained at the EGM (or any adjournment thereof); (ii) Completion does not taken place on or before the Longstop Date (or such later date as the Seller and the Buyer may agree in writing); or (iii) the Share Purchase Agreement is terminated in accordance with its terms prior to Completion, the Seller shall, within fourteen (14) Business Days after the occurrence of any such event, refund the Deposit in full to the Buyer, without interest, deduction, withholding or set-off.

The Consideration was arrived at after arm's length negotiations between the Seller and the Buyer on normal commercial terms with reference to the unaudited net asset value of the Target Group in the amount of approximately HK$49,521,000 as at October 31, 2026, taking into account the preliminary valuation of the Properties (assuming without title defects and transfer restrictions) in the amount of approximately HK$49,850,000 as at October 31, 2026.

The preliminary valuation of the Properties was prepared by Stern Appraisal Limited, a professional valuer independent to the Company and its connected persons. The Independent Valuer adopted the market approach by making reference to comparable market transactions in its assessment of the market value of a property interest.

Further details of the valuation approach, methodology and assumptions will be set out in the relevant valuation report to be included in the circular of the Company to be despatched to the Shareholders in due course in respect of the connected transactions.

(5) Conditions Precedent and Completion of the Disposal:

Completion is subject to the satisfaction or waiver (except condition (a) below) of the following conditions precedent:

(a) approval by the Independent Shareholders by poll at the EGM of the Share Purchase Agreement, the Renewed Lease Agreements and the transactions contemplated thereunder;

(b) the Seller's and the Buyer's respective representations and warranties remaining under the Share Purchase Agreement true, accurate and not misleading in all material respects;

(c) the parties having performed their respective obligations and delivered the required transaction documents in accordance with the Share Purchase Agreement; and

(d) execution and delivery of the Renewed Lease Agreements and other Transaction Documents before or at Completion.

Completion shall take place on a date agreed in writing within forty-five (45) Business Days after satisfaction of condition (a) above, subject to satisfaction or waiver of the remaining conditions. The parties may agree in writing to postpone Completion, but not beyond the Longstop Date.

Upon Completion, the Company will cease to hold any shares, directly or indirectly, in the Target Group and the Target Group will cease to be subsidiaries of the Company.

RENEWAL OF THE LEASE AGREEMENTS

The Company entered into two lease agreements, both dated January 2, 2026 (the "**Original Lease Agreements**"), with Casablanca International (as landlord) in respect of 5/F. and Workshop No. 1 on 7/F., Yan Hing Centre, 9-13 Wong Chuk Yeung Street, Fo Tan, N.T., Hong Kong, for a term of one year commencing from January 1, 2026 to December 31, 2026 (both dates inclusive).

As the Original Lease Agreements will expire on December 31, 2026, on November 6, 2026, the Board considered and passed a resolution in relation to the renewal of the Original Lease Agreements (the "**Lease Renewal**") for a further term of 3 years from January 1, 2027 to December 31, 2029 (the "**Renewed Lease Agreements**"), on substantially the same annual rent and terms as the Original Lease Agreements.

The principal terms of the Renewed Lease Agreements are set out below:

		Property A	**Property B**
(1)	**Date:**	November 6, 2026	
(2)	**Parties:**	Casablanca International as the lessor and the Company as the lessee.	
(3)	**Premises:**	The Properties, comprising Property A and Property B, are located at Yan Hing Centre, 9-13 Wong Chuk Yeung Street, Fo Tan, N.T., Hong Kong:	
		Property A occupies a gross floor area of approximately 2,308.18 square metres (excluding carpark space) and comprises a mix of office and warehouse space.	Property B is a warehouse occupying a gross floor area of approximately 285.39 square metres.
(4)	**Terms:**	3 years commencing from January 1, 2027 to December 31, 2029.	
(5)	**Usage:**	For commercial purposes.	
(6)	**Deposit:**	A deposit equivalent to one month's rent is payable by the tenant to the landlord (no receipt will be issued):	
		For Property A, a deposit of HK$210,000.	For Property B, a deposit of HK$28,000.
(7)	**Annual Rent:**	HK$2,520,000	HK$336,000
(8)	**Other Expenses:**	Property tax, rates, government rent and management fee will be payable by Casablanca International. Water, electricity, water pump, telephone and other utility charges will be payable by the Company.	

Right-of-use Assets

Pursuant to HKFRS 16, if the Lease Renewal under the Renewed Lease Agreements materialises, the right-of-use assets under the Renewed Lease Agreements in the amount of approximately HK$7.8 million will be recognised on the Group's consolidated statement of financial position. Such amount is unaudited and may be subject to adjustment.

Basis of Determination of Rental Payment

The rent under the Renewed Lease Agreements was determined on an arm's length basis with reference to analysis, advice and valuation report provided by an Independent Valuer based on (i) the conditions of the Properties; (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 October 31, 2026. In addition, the other terms of the Renewed Lease Agreements were determined with reference to prevailing standardized market terms in similar lease agreements. Therefore, the Company considers that the terms of the Renewed Lease Agreements 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.

INFORMATION OF THE TARGET GROUP AND THE PROPERTIES

Information of the Target Group

The Target Company is a company incorporated in the BVI. As at the date of this announcement, the Target Company is a direct wholly-owned subsidiary of the Seller, and is principally engaged in investment holding.

Casablanca International is a company incorporated in Hong Kong. As at the date of this announcement, Casablanca International is a direct wholly-owned subsidiary of the Target Company. Casablanca International is directly holding the Properties.

The unaudited consolidated financial information of the Target Group for the two years ended December 31, 2024 and 2025 is set out below:

	For the year ended December 31, 2024 (unaudited) *HK$ '000*	For the year ended December 31, 2025 (unaudited) *HK$ '000*
Revenue	3,960	3,330
Profit before taxation	3,010	2,359
Profit after taxation	2,689	2,090

The total assets, total liabilities and net assets of the Target Company as at October 31, 2026 as extracted from its latest unaudited consolidated management accounts were approximately HK$49,930,000, HK$409,000 and HK$49,521,000 respectively after adjustment on the book value of the Properties to HK$49,850,000 as at October 31, 2026 as indicated in a preliminary valuation report prepared by the Independent Valuer.

Information of the Properties

The Properties are both directly owned by Casablanca International. Property A occupies a gross floor area of approximately 2,308.18 square metres (excluding carpark space), comprising a mix of office and warehouse space. Property B is a warehouse occupying a gross floor area of approximately 285.39 square metres. The Properties are both located at Yan Hing Centre, 9-13 Wong Chuk Yeung Street, Fo Tan, N.T., Hong Kong.

As at the date of this announcement, the Target Group does not have material assets other than the Properties.

INFORMATION OF THE COMPANY AND THE SELLER

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. The Seller is a direct wholly-owned subsidiary of the Company with principal business of investment holding.

INFORMATION OF THE BUYER

The Buyer is a company incorporated in the BVI. Its principal business is investment holding and it is directly owned by the Cheng Brothers and Ms. Wong.

FINANCIAL EFFECT OF THE DISPOSAL AND THE LEASE RENEWAL

Upon Completion, the Company will not hold any shares, directly or indirectly, in the Target Group and they will cease to be subsidiaries of the Company.

Taking into account (i) the consideration for the Disposal of approximately HK$50.0 million; and (ii) the unaudited consolidated net asset value of the Target Group as at October 31, 2026 in the amount of approximately HK$49.5 million after adjustment on the book value of the Properties to HK$49.9 million as at October 31, 2026 as indicated in a preliminary valuation report prepared by the Independent Valuer.

The aforesaid estimation is for illustrative purposes only and does not purport to represent the financial position of the Group after Completion. The actual financial effects of the Disposal will be determined with reference to the financial status of the Target Group as at the Completion Date.

The net proceeds from the Disposal are estimated to be approximately HK$49.1 million (subject to adjustments), which will be used for improvement in working capital.

REASONS AND BENEFITS FOR THE DISPOSAL AND THE LEASE RENEWAL

Having considered the prevailing property market conditions in Hong Kong, the Board believes that the Disposal represents an opportunity for the Group to realise the value of the Properties and release capital tied up therein, thereby enhancing the Group's liquidity and financial flexibility. The net proceeds from the Disposal will be applied towards the Group's general working capital and business development.

Pursuant to the Renewed Lease Agreements, the Group will continue to use the Properties for its office and warehouse operations following Completion. This will enable the Group to avoid the costs and potential business disruption associated with relocation while maintaining the continuity of its business operation.

The Directors (save and except that the views of the independent non-executive Directors representing the Independent Board Committee with regard to the Share Purchase Agreement, the Renewed Lease Agreements and the transactions contemplated thereunder shall be set out in the circular) consider that the terms and conditions for the Disposal and the Lease Renewal are on normal commercial terms, which are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceeds 25% but less than 75%, the Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules.

Pursuant to HKFRS 16, the entering into of the Renewed Lease Agreements as tenant will require the Group to recognise the right-of-use assets on its consolidated statement of financial position, thus the Renewed Lease Agreements and the transactions contemplated thereunder will be regarded as an acquisition of assets by the Group under the Listing Rules.

The Buyer, Assets World International Holding Limited, is ultimately owned by the Cheng Brothers and Ms. Wong, who are all executive Directors of the Company. Upon Completion, the Target Group will be wholly owned by the Buyer. The Buyer is a connected person of the Company and the Target Company and Casablanca International will become connected person of the Company upon Completion. Accordingly, each of the Disposal and the Lease Renewal also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

The Renewed Lease Agreements relate to the Properties held by the Target Group, and Completion is conditional upon, among other things, the approval of the Renewed Lease Agreements by the Independent Shareholders. The Disposal and the Lease Renewal shall be aggregated as a series of transactions pursuant to Rule 14.22 and 14.23 of the Listing Rules. As the Disposal and Lease Renewal are in relation to the same underlying Properties involving the same group of connected persons (and their associates, as applicable), they shall be aggregated pursuant to Rule 14A.81 and Rule 14A.82 of the Listing Rules. On an aggregated basis, the Disposal and the Lease Renewal shall be subject to the reporting, announcement, circular and Independent Shareholders' approval requirements of Chapters 14 and 14A of the Listing Rules.

GENERAL

An Independent Board Committee comprising all independent non-executive Directors has been established by the Company to advise the Independent Shareholders in respect of the terms of the Share Purchase Agreement, the Renewed Lease Agreements and the transactions contemplated thereunder and an independent financial adviser has been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in the same regard.

Mr. Cheng Sze Kin, the Chairman and an executive Director, Mr. Cheng Sze Tsan, the Vice Chairman and an executive Director and Ms. Wong, an executive Director, abstained from voting on the relevant board resolutions of the Company in view of their interests in the Disposal and the Lease Renewal through their ownership of the Buyer. Save for the aforesaid, no other Director had a material interest in the Disposal or the Lease Renewal requiring abstention from voting on the relevant board resolutions.

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other things, the Share Purchase Agreement, the Renewed Lease Agreements and the transactions contemplated thereunder. The Cheng Brothers and Ms. Wong, through their wholly-owned company and themselves, held in aggregate 162,000,000 ordinary shares of the Company, will abstain from voting in the EGM. World Empire Investment Inc., a company incorporated in BVI, which is wholly owned by the Cheng Brothers and Ms. Wong, will also abstain from voting in the EGM. Other than the aforementioned, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder or its/his/her associate(s) has a material interest in the Share Purchase Agreement, the Renewed Lease Agreements and the transactions contemplated thereunder and accordingly, no Shareholder is required to abstain from voting if the Company were to convene a Shareholders' meeting for approving the Share Purchase Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details of the Share Purchase Agreement and the Renewed Lease Agreements; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Share Purchase Agreement, the Renewed Lease Agreements and the transactions contemplated thereunder; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) the valuation report prepared by the Independent Valuer; (v) a notice of the EGM; and (vi) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before Monday, November 30, 2026 as additional time is required by the Company to prepare and finalise certain information to be included in the circular. If additional time is required to prepare and finalise the information to be included in the circular, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules to extend the time for despatch of the circular.

DECLARATION OF SPECIAL DIVIDEND

The Board has recommended the payment of a special dividend of HK$0.31 per ordinary share of the Company (equivalent to approximately HK$80.0 million in aggregate) to Shareholders, which is subject to the resolutions in respect of the Disposal being approved at the EGM. Subject to those resolutions being approved, the Company will publish a separate announcement after the EGM setting out the payment arrangements for the special dividend, including the record date, any closure of the register of members and the payment date.

TERMS USED IN THIS ANNOUNCEMENT

In this announcement, unless the context otherwise requires, capitalized terms used shall have the following meanings:

"associates"	has the meaning ascribed to it in the Listing Rules
"Board"	the board of directors of the Company
"Business Day(s)"	any day (excluding Saturdays, Sundays, public holidays and any day on which a tropical cyclone warning no. 8 or above or a "black" rainstorm warning signal is hoisted or "extreme conditions" is announced by the government in Hong Kong at any time between the hours of 9:00 a.m. and 5:00 p.m.) on which licensed banks are open for general business in Hong Kong
"Buyer"	Assets World International Holding Limited, which is a company incorporated in the BVI whose principal business is investment holding and is owned by the Cheng Brothers and Ms. Wong
"BVI"	the British Virgin Islands
"Casablanca International"	Casablanca International Limited, a company incorporated in Hong Kong with limited liability and directly wholly-owned by the Target Company and being the beneficial and registered owner of the Properties
"Cheng Brothers"	Mr. Cheng Sze Kin and Mr. Cheng Sze Tsan
"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
"Completion"	the completion of the Disposal in accordance with the terms and conditions of the Share Purchase Agreement
"Completion Date"	the date agreed in writing by the Seller and the Buyer falling within forty-five (45) Business Days after satisfaction of the Independent Shareholders' approval condition under the Share Purchase Agreement, or such postponed date as they agree in writing, which shall not be later than the Longstop Date
"connected person(s)"	has the meaning ascribed to it under the Listing Rules

"Consideration"	a sum of HK$50.0 million, being the consideration for the Sale Shares
"Disposal"	the disposal of the Sale Shares by the Seller to the Buyer under the Share Purchase Agreement
"Director(s)"	the director(s) of the Company
"EGM"	an extraordinary general meeting (or an adjournment thereof) of the Company to be convened and held to consider and, if thought fit, approve, among other things, the Share Purchase Agreement, the Renewed Lease Agreements and the transactions contemplated thereunder
"Group"	the Company and its subsidiaries from time to time
"HK$"	Hong Kong dollar
"HKFRS"	Hong Kong Financial Reporting Standards
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	the independent committee of the Board comprising all of the independent non-executive Directors, established to advise the Independent Shareholders in respect of the Disposal
"Independent Financial Adviser"	an independent financial adviser appointed by the Company for the purpose of giving recommendations to the Independent Board Committee and the Independent Shareholders in respect of the Share Purchase Agreement, the Renewed Lease Agreements and the transactions contemplated thereunder
"Independent Shareholder(s)"	the Shareholder(s) who do not have a material interest in the transactions contemplated under the Share Purchase Agreement and the Renewed Lease Agreements
"Independent Valuer"	Stern Appraisal Limited
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Longstop Date"	the date falling ninety (90) Business Days after satisfaction of the Independent Shareholders' approval condition under the Share Purchase Agreement

"Ms. Wong"	Ms. Wong Pik Hung
"Property A"	Carpark Space Nos. P21, P22, P23 & L15 on 1/F and Workshop Nos. 1, 2, 3, 4, 5, 6, 7, 8 on 5/F., Yan Hing Centre, 9-13 Wong Chuk Yeung Street, Fo Tan, N.T., Hong Kong
"Property B"	Workshop No. 1 on 7/F., Yan Hing Centre, 9-13 Wong Chuk Yeung Street, Fo Tan, N.T., Hong Kong (Property A and Property B together as the "**Properties**")
"Sale Shares"	100 shares in the Target Company, representing its entire issued and paid-up share capital at the date of the Share Purchase Agreement and at Completion, which are legally and beneficially owned by the Seller
"Seller"	Casablanca Home Holdings Limited, a company incorporated in the BVI and directly wholly-owned by the Company
"Share Purchase Agreement"	the share purchase agreement dated November 6, 2026 entered into between the Seller and Buyer in relation to the Disposal
"Shareholder(s)"	holder(s) of the ordinary shares of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
"Target Company"	Smart Glory Global International Investment Limited, a company incorporated in the BVI and an indirect wholly-owned subsidiary of the Company
"Target Group"	Target Company and Casablanca International

"Transaction Documents"	the Share Purchase Agreement, the Renewed Lease Agreements and the instruments of transfer and other documents expressly required to be executed and delivered under the Share Purchase Agreement
"%"	per cent

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

Hong Kong, November 6, 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.