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*(Incorporated under the laws of the Cayman Islands with limited liability)*

**(Stock Code: 2223)**

## **DISCLOSABLE TRANSACTION ACQUISITION OF PROPERTY**

### **THE PROPOSED ACQUISITION**

The Board announces that on 3 June 2019, the Purchaser, being a wholly owned subsidiary of the Company, has entered into the Provisional Agreement with the Vendor, an independent third party, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire the Property at a total consideration of HK\$12,168,000.

### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios calculated in respect of the Proposed Acquisition of the Property exceeds 5% but is less than 25%, the transaction constitutes a disclosable transaction for the Company and is subject to the reporting and announcement requirements but is exempt from Shareholders' approval under Chapter 14 of the Listing Rules.

### **THE PROVISIONAL AGREEMENT**

The principal terms of the Provisional Agreement are summarised as follows:

**Date:** 3 June 2019

**Vendor:** Grand Rise International Development Limited, an independent third party

**Purchaser:** Casablanca International Limited, a wholly-owned subsidiary of the Company

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are third party independent of and not connected with the Company and/or any of its connected persons.

### **Property to be acquired**

Pursuant to the Provisional Agreement, the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire the Property at Workshop 1, 7<sup>th</sup> Floor, Yan Hing Centre, 9-13 Wong Chuk Yeung Street, Fo Tan, New Territories, Hong Kong with a total saleable floor area of approximately 2,302 sq. ft..

### **Consideration**

Pursuant to the Provisional Agreement, the total Consideration for the sale and purchase of the Property shall be HK\$12,168,000 payable in cash by the Purchaser to the Vendor in the following manners:

- (i) HK\$608,400 upon signing of the Provisional Agreement as an initial deposit;
- (ii) HK\$608,400 as a further deposit upon signing of the formal sale and purchase agreement on or before 17 June 2019; and
- (iii) the balance of the total Consideration of HK\$10,951,200 to be paid on or before 30 August 2019 as at Completion.

The Consideration for the Proposed Acquisition was determined after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to the market value of similar properties in the same district.

### **Completion of the Acquisition**

Completion of the acquisition shall take place on or before 30 August 2019.

### **Formal agreement**

The Vendor and the Purchaser shall negotiate in good faith and enter into the Formal Agreement reflecting the terms and conditions of the Provisional Agreement; and prior to entering into the Formal Agreement, the Provisional Agreement shall remain valid and in full force and effect.

## **SOURCE OF FINANCING**

The Purchaser intends to settle the Consideration by way of internal resources of the Group.

## **INFORMATION ON THE VENDOR**

The Vendor is a company incorporated in Hong Kong with limited liability and its principal activity is property investment holding and leasing. To the best of the Directors' knowledge, information and belief having made all reasonable enquires, the Vendor is an independent third party.

## **INFORMATION ON THE GROUP AND THE PURCHASER**

The Group primarily engages in designing, manufacturing, distribution and retailing of bedding products.

The Purchaser is a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of the Company.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Property is intended to be held by the Group for its own use as warehouse. To cope with the business development and expansion of the Group, the Directors consider that the purchase of the Property is beneficial to the Group by providing additional warehouse space in Hong Kong for the Group.

Having considered that the Provisional Agreement was entered into on normal commercial terms with the purchase price being determined with reference to the market value of similar properties in adjacent locations, the Directors (including the Independent Non-executive Directors) are of the view that the terms of the Provisional Agreement are fair and reasonable and the Acquisition in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios calculated in respect of the Proposed Acquisition of the Property exceeds 5% but the highest applicable percentage is less than 25%, the entering into of the Provisional Agreement constitutes a disclosable transaction for the Company and is subject to the reporting and announcement requirements but is exempt from Shareholders' approval under Chapter 14 of the Listing Rules.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	the board of Directors
“Company”	Casablanca Group Limited, a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Stock Exchange
“Completion”	completion of the Proposed Acquisition
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the total consideration in the amount of HK\$12,168,000 for the Proposed Acquisition
“Director(s)”	director(s) of the Company
“Formal Agreement”	the formal sale and purchase agreement to be entered into between the Purchaser and the Vendor regarding the sale and purchase of the Property
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	the property situated at Workshop 1, 7 <sup>th</sup> Floor, Yan Hing Centre, 9-13 Wong Chuk Yeung Street, Fo Tan, New Territories, Hong Kong
“Proposed Acquisition”	the acquisition of the Property by the Purchaser from the Vendor pursuant to the terms of the Provisional Agreement

“Provisional Agreement”	the provisional agreement for sale and purchase dated 3 June 2019 entered into between the Vendor and the Purchaser in respect of the Proposed Acquisition
“Purchaser”	Casablanca International Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s) in the issued share capital of the Company
“sq. ft.”	square feet
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Grand Rise International Development Limited, a company incorporated in Hong Kong with limited liability and an independent third party
“%”	per cent

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

Hong Kong, 3 June 2019

*As at the date of this announcement, the Board of the Company 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.*