
PROPOSED DISPOSAL OF THE ENTIRE SHAREHOLDING INTEREST IN FIAMMA HOLDINGS BERHAD

1. INTRODUCTION

- 1.1 The Board of Directors (the “**Board**” or the “**Directors**”) of Casa Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company had on 1 July 2024 entered into four conditional share sale agreements particulars of which are set out below (collectively, the “**SSAs**”) for the disposal (the “**Proposed Disposal**”) of all the shares (collectively, the “**Sale Shares**”) held by it in Fiamma Holdings Berhad (“**FHB**”) representing approximately 14.12% of the issued and paid-up share capital of FHB:

	Name of Purchaser	Number of Sale Shares	Purchase Consideration (RM)	Deposit (RM)
1.	Lau Kim San	25,089,900	28,351,587	567,031.74
2.	Teo Lay Ban	23,400,000	26,442,000	528,840
3.	Low Peng Sian @ Chua Peng Sian	10,000,000	11,300,000	226,000
4.	Por Teong Eng	16,400,000	18,532,000	370,640
	TOTAL	74,889,900	84,625,587	1,692,511.74

- 1.2 The terms and conditions of the SSAs are identical save for the details of the purchasers, Sale Shares and references related to the consideration for the Sale Shares which are specific to each purchaser. Upon completion of the Proposed Disposal (the “**Completion**”), the Company will no longer hold any interest in FHB.
- 1.3 The Proposal Disposal constitutes a “major transaction” under Chapter 10 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (the “**Listing Manual**”) and is subject to the approval of shareholders of the Company (the “**Shareholders**”) being obtained at an extraordinary general meeting (the “**EGM**”) to be convened.
- 1.4 As part of the Proposed Disposal, the Company may also sell the Sale Shares pursuant to Clause 3.8 of the SSAs (please see paragraph 3.5 below).

2. INFORMATION RELATING TO FHB AND THE PURCHASERS

2.1 Information on FHB and the Sale Shares

FHB is a public limited liability company incorporated in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad (“**Bursa Securities**”). As reflected in the latest Annual Report of FHB, being the Annual Report of FHB for its financial year ended 31 December 2023 (the “**FHB AR**”):

- (a) FHB is an investment holding company of a group of companies that are principally engaged in the business of (a) trading and services;(b) property development; and (c) investment holding and property investment;
- (b) the total issued and paid-up share capital of FHB is RM286,848,000 comprising 530,266,884 ordinary shares; and
- (c) the net tangible asset of each share in FHB was RM1.27.

2.2 Information on the Purchasers

The information in respect of the Purchasers in this paragraph was provided by the solicitors acting for the Purchasers and/or has been extracted and reproduced from publicly available sources. In respect of such information, the Company has not independently verified the accuracy and correctness of the same and the Company's responsibility is limited to ensuring that such information has been accurately and correctly extracted and reproduced in this announcement in its proper form and context.

(a) **Dato' Lau Kim San**

Dato' Lau Kim San, a Malaysian, is the founder, Managing Director and major shareholder of Master Tec Group Berhad, a public limited company incorporated in Malaysia, and listed on the ACE Market of Bursa Malaysia Securities Berhad.

(b) **Mr Teo Lay Ban**

Mr Teo Lay Ban, a Malaysian, is the Managing Director and major shareholder of Teladan Group Berhad (formerly known as Teladan Setia Group Berhad), a public limited company incorporated in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad.

(c) **Mr Low Peng Sian @ Chua Peng Sian**

Mr Low Peng Sian @ Chua Peng Sian, a Malaysian, is Managing Director and major shareholder of Sern Kou Resources Berhad, a public limited company incorporated in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad.

(d) **Mr Por Teong Eng**

Mr Por Teong Eng, a Malaysian, is the Managing Director and major shareholder of Mestron Holdings Berhad, a public limited company incorporated in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad.

Dato' Lau, Mr Teo, Mr Low and Mr Por (collectively, the "**Purchasers**", and each, a "**Purchaser**") were introduced to the Company by the solicitors acting for the Purchasers. No fees or commissions were paid for such introduction.

As at the date of this announcement, to the best of the Company's knowledge, the Purchasers do not have any existing shareholding interest, direct or indirect, in the Company, and the Purchasers are not related to any director, the chief executive officer, or controlling shareholders of the Company. The Company is also informed by the solicitors acting for the Purchasers in the SSAs that the Purchasers are not connected to each other.

3. PRINCIPAL TERMS OF THE SSAs

3.1 Proposed Disposal

The Purchasers have agreed to purchase the Sale Shares, and the Company has agreed to sell the Sale Shares, free from all encumbrances and with all interests and rights attached thereto as at the date of Completion (the "**Completion Date**") in accordance with the terms and conditions of the respective SSAs.

The SSAs are inter-conditional upon each other and in the event that any of the SSAs is not completed or is terminated for any reason whatsoever, the Company may terminate the other SSAs by written notice to the Purchasers. The completion of all the SSAs shall take place on the same date.

3.2 Consideration

The consideration for each Sale Share is RM1.13, and the total consideration payable to the Company for the Sale Shares is RM84,625,587.00 (equivalent to approximately S\$24,355,243.94 based on the exchange rate of S\$1:RM0.2878 (the “**Total Purchase Consideration**”). The Total Purchase Consideration will be satisfied wholly by way of cash by the Purchasers on the Completion Date.

The Purchasers have remitted to the Company an amount equivalent to two (2)% of the Total Purchase Consideration, totalling RM1,692,511.74 (the “**Deposit**”) on the date of the SSAs. The Deposit is refundable to the Purchasers in full if the Condition Precedent (as defined in paragraph 3.3 below) is not satisfied within the time frame set out in paragraph 3.3 or where the non-completion or termination of the SSAs is due to the default of the Company.

The Total Purchase Consideration was concluded based on arm’s length and commercial negotiations between the Purchasers and the Company, on a willing-buyer and willing-seller basis. This assessment took into consideration various factors such as the prevailing market prices of the Sale Shares over one (1), three (3), and six (6) months preceding the time the parties reached agreement on the Total Purchase Consideration, the historical performance and future potential of the Sale Shares in generating returns and cash flows to the Company, the liquidity of the Sale Shares and the availability of the Purchasers.

The purchase price of RM1.13 per Sale Share represents a discount of RM0.06 (5.0%), a discount of RM0.01 (0.9%), and a premium of RM0.09 (8.7%) compared to the average daily closing prices of the shares in FHB on the Main Market of Bursa Securities over the one (1), three (3), and six (6) calendar months immediately prior to the date of the SSAs, respectively.

The following table sets out the average daily closing prices of the shares in FHB on the Main Market of Bursa Securities over one (1), three (3) and six (6) calendar months immediately prior to the date of the SSAs, for the reference of Shareholders:

Period	Average Daily Closing Price (RM)
January 2024 to June 2024 (six (6) calendar months)	1.04
April 2024 to June 2024 (three (3) calendar months)	1.14
June 2024 (one (1) calendar month)	1.19

The book value of the Sale Shares is S\$18,401,089. The Proposed Disposal will result in the Group achieving an estimated net gain on disposal of S\$5,876,141. The proceeds from the Proposed Disposal represent an excess of approximately S\$5,954,155 over the book value of the Sale Shares.

3.3 Condition Precedent

Completion of the Proposed Disposal is conditional upon the approval of the Shareholders at the EGM to be convened for the purpose of authorising the Proposed Disposal on the terms and subject to the conditions of the SSAs being obtained and such approval not having been withdrawn or revoked as at the Completion Date (the “**Condition Precedent**”).

The Company is required to, in good faith use its best efforts to fulfil or procure fulfilment of the Condition Precedent within four (4) months from the date of the SSAs or if the Company requires, within six (6) months from the date of the SSAs.

3.4 Completion Date

Completion will take place on the date falling on the fourteenth (14th) business day after the date on which the Condition Precedent is fulfilled.

3.5 Payment of Compensation Amount to Company

- (a) Under Clause 3.8 of SSAs, in the event that Completion fails to occur in respect of some or all of the Sale Shares as a result of a default of a Purchaser under the respective SSA, the Company reserves the right to terminate the SSA and sell some or all of the Sale Shares in the open market or by private contract or in such other manner as the Company may in its discretion deem fit and subject to such terms and conditions as the Company may think fit (the “**Resale**”).
- (b) Where the Company sells some or all of the Sale Shares at a price per share (the “**Resale Price**”) which is lower than RM1.13 (as appropriately adjusted for any subdivisions, consolidations, share dividends or similar recapitalisations), the Purchaser shall pay to the Company within five (5) business days of each demand of the Company, in respect of each Sale Share which has been sold, the difference between the Resale Price and RM1.13 provided that the Resale is completed within one hundred and twenty (120) calendar days from the termination of the SSA by the Company.
- (c) Where there are Sale Shares (the “**Undisposed Sale Shares**”) which have not been sold or which sale is not completed by the Company within one hundred and twenty (120) calendar days from the termination of the SSA by the Company, the respective Purchaser shall pay to the Company within five (5) Business Days of the demand of the Company, in respect of each Undisposed Sale Share, the difference between RM1.13 (as appropriately adjusted for any subdivisions, consolidations, share dividends or similar recapitalisations) and the price per share (“**X**”) computed as follows, where X is lower than RM1.13 (as appropriately adjusted for any subdivisions, consolidations, share dividends or similar recapitalisations):
- X** = *the average of the closing prices of the shares in FHB transacted on Bursa Securities over the last five (5) trading days of Bursa Securities ending on the scheduled Completion Date*
- (d) Payment of the amounts under paragraphs 3.5(b) and 3.5(c) above, together with the forfeiture of the Deposit, is in full and final settlement of any and all claims, actions or losses that the Company has or may have against the respective Purchaser arising out of or in connection with the relevant SSA.

It is to be noted that by approving the Proposed Disposal at the EGM, Shareholders will also approve the disposal of the Sale Shares by the Company pursuant to Clause 3.8 of the SSAs.

3.6 Default by Company

In the event that Completion fails to occur as a result of a default of the Company under the SSAs, the Deposit is refundable to the Purchasers in full. In addition, the Company shall pay to each of the Purchasers an additional compensation sum equivalent to the amount of the respective Deposit amounts as liquidated agreed damages which shall be in full and final settlement of any and all claims, actions or losses that the Purchasers have or may have against the Company arising out of or in connection with the relevant SSA.

3.7 Warranties

Under the SSAs, the Company has furnished representations and warranties typical for transactions such as the Proposed Disposal.

4. RATIONALE

The Board is of the view that the Proposed Disposal is in the best interest of the Group, taking into consideration that the Proposed Disposal presents an opportunity for the Company to realise gains and potentially reallocate capital to other investment opportunities that may arise in the future. The Board also notes the absence of dividend payments from FHB over the past two (2) financial years. As FHB engages in a similar business of distributing and servicing home appliances, the Board believes that, with and upon the completion of the Proposed Disposal, the Company will be able to freely develop its business in Malaysia, which is a much larger market than Singapore.

In the Company's financial year ended 30 September 2023 ("FY2023"), FHB received approval to change its financial year end from 30 September to 31 December, which differs from the Group's financial year end. Consequently, FHB's records for its financial period ended 2023 spanned 15 months, which resulted in a qualified opinion for FY2023 being issued by the auditors of the Company as reflected in the Annual Report of the Company for FY2023. The Proposed Disposal would facilitate the Company in being able to synchronise financial reporting and audit procedures, streamline audit processes, simplify consolidation tasks, and uphold regulatory compliance standards, thereby fostering transparency and bolstering investor confidence in view of the more precise and effective financial reporting of the Group.

5. USE OF PROCEEDS

The net sale proceeds from the Proposed Disposal, after deducting all costs and expenses, are estimated to be approximately RM84,354,518 (equivalent to approximately S\$24,277,230 based on the exchange rate of S\$1:RM0.2878). It is the present intention of the Board to deploy all of the proceeds for general working capital of the Group and/or any strategic investments or acquisitions when suitable opportunities arise. Pending the deployment of the unutilised proceeds for such purposes, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities, or used for any other purposes on a short-term basis, as the Directors may deem appropriate in the interests of the Group.

6. RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006 OF THE LISTING MANUAL

6.1 Relative Figures Pursuant to Rule 1006 of the Listing Manual

Based on the latest announced consolidated financial statements of the Group (being the audited consolidated financial statements for FY2023), the relative figures for the Proposed Disposal, as computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

Rule 1006	Bases	Relative Figure
(a)	Net asset value of the Sale Shares to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets. ((S\$18,401,089 / S\$57,821,404) x 100%)	31.82%
(b)	Net profits attributable to the Sale Shares, compared with the Group's net profits. ((S\$2,779,428 / S\$1,718,755) x 100%)	162%
(c)	Aggregate value of consideration received from the Proposed Disposal, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares. ((S\$24,355,243.94 / S\$18,674,526.46) x 100%)	130% ⁽¹⁾

(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable
(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not an acquisition of such assets.	Not applicable

Note:-

- (1) The market capitalisation of the Company of S\$18,674,526.46 is determined by multiplying the number of shares in issue of 209,826,140 by the weighted average price of the shares of S\$0.089 on 28 June 2024, being the last day on which the Company's shares were traded preceding the date of the SSA.

Having regard to the above, as the relative figures computed on the bases set out in Rules 1006(a), 1006(b) and 1006(c) of the Listing Manual exceed 20%, the Proposed Disposal is classified as a "major transaction" under Chapter 10 of the Listing Manual. Accordingly, Rule 1014 of the Listing Manual applies to the Proposed Disposal and the Proposed Disposal shall be subject to the approval of Shareholders at an EGM to be convened by the Company. A circular will be despatched to the Shareholders in due course.

6.2 Application of waiver to comply with Rule 1014(5) of the Listing Manual

The relative figures computed on the bases set out in Rules 1006(b) and 1006(c) of the Listing Manual exceed 75%. Under Rule 1014(5) of the Listing Manual, where a disposal of assets is one where any of the relative figures computed on the bases set out in Rule 1006 exceeds 75%, the issuer must appoint a competent and independent valuer to value the assets to be disposed. Notwithstanding Rule 1014(5) of the Listing Manual, Rule 107 of the Listing Manual states that SGX-ST may waive or modify compliance with a listing rule (or part of a rule) either generally or to suit the circumstances of a particular case.

The Company intends to submit an application to SGX-ST for a waiver to comply with Rule 1014(5) of the Listing Manual on the basis that a valuation of the Sale Shares is not necessary. The Company will update the Shareholders on the outcome of the application to SGX-ST for such waiver in due course.

7. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The financial effects of the Proposed Disposal as set out below are shown for illustrative purposes only and are not intended to reflect the actual financial performance or position of the Group after the completion of the Proposed Disposal. In accordance with Rules 1010(8) and 1010(9) of the Listing Manual, the financial effects have been prepared based on the audited consolidated financial statements of the Group for FY2023. The costs and expenses in connection with the Proposed Disposal are disregarded for the purposes of calculating the financial effects.

7.1 Net tangible assets ("NTA")

For illustrative purposes only, the *pro forma* financial effects of the Proposed Disposal on the Group's NTA per share, assuming that the Proposed Disposal had been effected on 30 September 2023, being the end of FY2023, the most recently completed audited financial year, are set out below:

	Before Proposed Disposal	After Proposed Disposal
NTA (S\$)	57,821,404	63,697,545
Number of shares	209,826,140	209,826,140
NTA per share (S\$)	0.28	0.30

7.2 Earnings per share (“EPS”)

For illustrative purposes only, the *pro forma* financial effects of the Proposed Disposal on the consolidated earnings of the Group, assuming that the Proposed Disposal had been effected on 1 October 2022, being the beginning of FY2023, the most recently completed audited financial year, are set out below:

	Before Proposed Disposal	After Proposed Disposal
Profit attributable to Equity holders	2,024,333	7,900,474
Number of shares	209,826,140	209,826,140
EPS / (Loss) per share (cent)	0.96	3.77

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the date of this announcement, the interests of the Directors and the substantial shareholders of the Company are set out below:

	Direct Interest	Indirect Interest	Total Interest	%
Directors				
Mr Hu Zhong Huai	60,826,710	0	60,826,710	28.99
Mr Lim Soo Kong @ Lim Soo Chong	59,944,202	0	59,944,202	28.57
Mr Lai Hock Meng	1,101,600	0	1,101,600	0.52
Dr Wee Chow Hou	0	0	0	0
Mr Stefan Matthieu Lim Shing Yuan ⁽¹⁾	0	0	0	0
Substantial Shareholders				
Mr Hu Zhong Huai	60,826,710	0	60,826,710	28.99
Mr Lim Soo Kong @ Lim Soo Chong	59,944,202	0	59,944,202	28.57
Mr Lim Choo Hong	20,935,168	0	20,935,168	9.98

Notes:-

(1) Mr Stefan Matthieu Lim Shing Yuan is the son of Mr Lim Soo Kong @ Lim Soo Chong.

As at the date of this Announcement:

- (a) Mr Hu Zhong Huai, a Non-Executive and Non-Independent Director and substantial shareholder of the Company, has a deemed interest (through the Company) in 74,889,900 shares in FHB;
- (b) Mr Lim Soo Kong @ Lim Soo Chong, an Executive Director, the Chief Executive Officer and substantial shareholder of the Company, has a direct interest in 14,793,300 ordinary shares in FHB, and a deemed interest (through the Company) in 74,889,900 ordinary shares in FHB; and
- (c) Mr Stefan Matthieu Lim Shing Yuan, an Executive Director and Deputy Chief Executive Officer of the Company, is a Non-Independent and Non-Executive director of FHB.

Also, as reflected in the FHB AR, Mr Lim Choo Hong, a substantial shareholder of the Company, has a direct interest in 18,606,068 shares in FHB as at 29 March 2024.

Save as set out above, none of the Directors, controlling shareholders or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Disposal.

9. SERVICE AGREEMENTS

No person is proposed to be appointed as a Director in connection with the Proposed Disposal. Accordingly, no service contract for such appointment will be entered into.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the SSAs are available for inspection during normal business hours at the registered office of the Company at 15 Kian Teck Crescent, Singapore 628884, for a period of three (3) months commencing from the date of this announcement.

11. CAUTIONARY STATEMENT

The Company wishes to highlight that completion of the Proposed Disposal are subject to the condition precedent being fulfilled and there is no certainty or assurance that the SSAs will be completed or that no changes will be made to the terms of the SSAs. Shareholders are advised to read this announcement and any further update announcement(s) released by the Company in connection with the Proposed Disposal carefully. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company and should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they are in doubt about the actions that they should take.

12. FURTHER ANNOUNCEMENTS

The Company will make further announcements on the Proposed Disposal as appropriate or when there are developments on the same.

13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Disposal and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

By order of the Board

Lim Soo Kong @ Lim Soo Chong
Executive Director and Chief Executive Officer

Date: 1 July 2024