

CASA HOLDINGS LIMITED
(Company Registration No. 199406212Z)
(Incorporated in the Republic of Singapore)

**NON-DISCLOSEABLE TRANSACTION –
PROPOSED ACQUISITION OF TWO LOTS OF LAND IN MALAYSIA THROUGH THE ACQUISITION OF TWO
COMPANIES**

1. INTRODUCTION

1.1. The Board of Directors (**Board**) of Casa Holdings Limited (**Company**), and together with its subsidiaries, the **Group** wishes to announce that the Group through its subsidiary, Casa Property Holdings Pte Ltd. (**Casa SG**), is entering into two (2) joint venture agreements (collectively, the **Proposed JVs**) with LSK Development Sdn Bhd (**LSK Development**), Mr Lim Soo Kong, and Seleksi Mewah Sdn Bhd (**SM**) to subscribe to the shares of the following companies

- (a) Fantastic Modern Sdn. Bhd. (**Fantastic Modern**); and
- (b) Genius Chamber Sdn. Bhd. (**Genius Chamber**).

Fantastic Modern and Genius Chamber (collectively, the **JV Cos**) will allot and issue a total of 998 shares at RM 1 each to Casa SG, LSK Development, Mr Lim Soo Kong and SM.

Both companies are incorporated in Malaysia with paid-up share capital of RM2 each.

The existing shareholders of Fantastic Modern and Genius Chamber, Mr Lim Ah Sian@ Lim Tan Chai and Mr Shia Alak, will then sell their entire shareholding in Fantastic Modern and Genius Chamber to SM.

Upon completion of the above, the 1,000 shares in each of the JV Cos will be held in the following proportions:

Shareholder	Percentage shareholding
Casa SG	: 34.3%
Mr Lim Soo Kong	: 14.7%
LSK Development	: 6.0%
SM	: 45.0%

It is further agreed in the JVs that the shareholders of the JV Cos will contribute total of RM 3 million as shareholders' loans (**Shareholders' Loans**), in proportion with their shareholding interests in the JV Co.

As such, the Group will contribute an aggregate of RM1,029,343 in cash for its share capital contribution and its proportion of the shareholders' loan. The Group intends to finance this investment in the JV Cos through internal sources of funds.

- 1.2. Fantastic Modern is a company incorporated in Malaysia. Fantastic Modern is acquiring a piece of land held under GM 339 Lot 5 in Mukim Plentong, District of Johor Bahru, State of Johor, Malaysia (**Lot 5**) for an aggregate consideration of RM16,008,300.
- 1.3. Genius Chamber is a company incorporated in Malaysia. Genius Chamber is acquiring a piece of land held under GM 340 Lot 6 (**Lot 6**) in Mukim Plentong, District of Johor Bahru, State of Johor, Malaysia for an aggregate consideration of RM14,614,380.
- 1.4. Lot 5 and Lot 6 (collectively, the **Land**) are located next to our Group's current plots of land at Teluk Jawa, in the District of Johor Bahru, State of Johor, Malaysia. The Land has an area of approximately 367,575 square feet.

2. PURCHASE CONSIDERATION OF THE LAND

- 2.1. The Total Consideration for purchase of the Land is approximately RM 29,406,000 (**Total Consideration**). The Total Consideration is based on the land area of the Land, calculated at RM80 per square foot. Our Group engaged LandServe Sdn. Bhd. to conduct a valuation on the Land. The value of the Land based on the valuation conducted by LandServe Sdn. Bhd. is RM 36,758,880.
- 2.2. Part of the Total Consideration will be satisfied by the shareholders' loan extended to pay an aggregate of RM 3 million being part of the consideration for the acquisition by Fantastic Modern and Genius Chamber of Lot 5 and Lots 6 respectively.
- 2.3. The remaining amount of the Total Consideration will be satisfied in cash upon execution of the Agreements through bank borrowings to be secured by the JV Cos or the Shareholders' Loans.
- 2.4. The Total Consideration was arrived at on a willing buyer-willing seller basis after taking into account current market prices of properties in the surrounding area and the Group's assessment of the Land's development potential.

3. RATIONALE FOR, AND BENEFIT OF, THE PROPOSED JOINT VENTURES

The Board, after careful consideration of the prospects of the Proposed Joint Ventures, is of the view that the Proposed Joint Ventures will provide an additional source of revenue for the Group and is thus in the best interest of the Group.

4. CHAPTER 9 OF THE LISTING MANUAL

Mr Lim Soo Kong is the Chairman and Chief Executive Officer of the Company. Accordingly, Mr Lim Soo Kong is an interested person as defined under Chapter 9 of the listing manual (**Listing Manual**) of the Singapore Exchange Securities Trading Limited (**SGX-ST**) and the Proposed Joint Ventures constitute an interested person transaction as defined under Chapter 9 of the Listing Manual.

Rule 916(2) of the Listing Manual provides that investment in a joint venture between an issuer and an interested person is not required to comply with the requirement to obtain shareholders' approval under Rule 906 of the Listing Manual if:

- (a) the risks and rewards are in proportion to the equity of each joint venture partner;
- (b) the issuer confirms by an announcement that its audit committee is of the view that the risks and rewards of the joint venture are in proportion to the equity of each joint venture partner and the terms of the joint venture are not prejudicial to the interests of the issuer and its minority shareholders; and
- (c) the interested person does not have an existing equity interest in the joint venture prior to the participation of the entity at risk in the joint venture.

In compliance with Rule 916(2)(b), the audit committee of the Company, having considered the terms and conditions of the Proposed JVAs, is of the view that the risks and rewards of the Proposed Joint Ventures are in proportion to the equity of each joint venture partner and the terms of the Proposed Joint Ventures are not prejudicial to the interests of the Company and its minority shareholders.

As the Proposed Joint Ventures to be entered into by the Company meet the requirements of Rule 916(2) of the Listing Manual, approval by the shareholders of the Company is not required for the Proposed Joint Ventures and the entry by the Company into the Proposed JVAs.

5. FINANCIAL EFFECTS

The Proposed Joint Venture is not expected to have any material financial impact on the consolidated net tangible assets per share and consolidated earnings per share of Group for the current financial year ending 30 September 2014.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed above and for their respective shareholdings in the Company (if any), none of the Directors, and to the best of the Directors' knowledge, none of the controlling shareholders of the Company have an interest, direct or indirect, in the Proposed Joint Ventures.

7. 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 Joint Ventures and the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this 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 its proper form and context.

By Order of the Board
Casa Holdings Limited

Mr Lim Soo Kong
Chairman & CEO
30 May 2014