



CASA HOLDINGS LIMITED

Company Registration No: 199406212z

The Board of Directors of Casa Holdings Limited (“the Company”) refers to the queries raised by the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 30 November 2016 in relation to the Company’s financial result announcement for the financial year ended 30 September 2016 and would like to respond to the queries as follows:

SGX Query:

1. Please disclose what is the “derivative financial instrument” under “Fair value loss/(gain) on derivative financial instrument” and the reasons for the investment in the derivative financial instrument. Please disclose and explain what are the underlying factors which caused the gain of S\$5.9 million in FY 2015 to turn into a loss of S\$1.3 million.

Company’s Response:

“Derivative financial instrument” under “Fair value loss/(gain) on derivative financial instrument” refers to cross currency interest rate swap. Investment in this derivative financial instrument was entered by the Group to hedge variable interest and principal payment of foreign currency borrowings.

The movement in Malaysia Ringgit against Singapore dollar and borrowing rates are among the underlying factors attributable to the change in the fair value gain or loss on derivative financial instrument. The fair value of the derivative financial instrument is provided by the financial institution on a mark to market basis, taking into consideration projected exchange rate between Malaysia Ringgit and Singapore Dollar and borrowing rates.

The change in fair value gain or loss on derivative financial instrument could be attributable to the appreciation of Malaysia Ringgit against Singapore Dollar in FY 2016 as compared to depreciation of Ringgit against Singapore Dollar in FY 2015 and changes in the market borrowing rates.

SGX Query:

2. It was disclosed on page 10 that “Trade and other payables” increased “mainly due to increase in amount due to related parties of S\$3.7 million”. Please disclose who these “related parties” are and the reasons for the increase in payables due to them.

Company’s Response:

During the financial year, the related parties, being the minority shareholder to the Group, contributed shareholders’ advance of approximately S\$3.7 million to the subsidiary corporations in Malaysia for working capital requirement.

The related parties here refer to Mr Lim Soo Kong, and a company under his control. Mr Lim Soo Kong, who is the CEO, director and a substantial shareholder of the Company, also has a direct interest in the subsidiary corporations in Malaysia.

- SGX Query:**
3. Please explain, under paragraph 9, any deviation from the commentary/discussion under Paragraph 10 of the Company's financial statements from the previous period. Where there is no deviation, please provide an explicit statement to that effect.

Company's Response:

There is no deviation from the commentary/discussion under Paragraph 10 of the Company's financial statements from the previous period.

On behalf of the board of directors

Lim Soo Kong
Chief Executive Officer

2 December 2016