

CASA HOLDINGS LIMITED
COMPANY REGISTRATION NO. 199406212Z

PROPOSED DISPOSAL OF PROPERTY BY JOINT VENTURE COMPANY OF SUBSIDIARY

1. INTRODUCTION

Pursuant to Rule 703(1) of the Listing Manual, the Board of Directors (the "**Board**" or "**Directors**") of Casa Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the joint venture company, VMD Development Sdn. Bhd. [Registration No. 201501002864 (1128196-P)], which was jointly incorporated by its wholly owned subsidiary, Casa Property Holdings Pte Ltd together with VMD Pte Ltd, had on 20 September 2023 entered into a sale and purchase agreement (the "**SPA**") with Mohm Chemical Sdn. Bhd. [Registration No. 199301022113 (276851-U)] (the "**Purchaser**") for the sale of all three (3) pieces of vacant industrial land with details as set out below (the "**Property**"), for a purchase consideration of RM32,662,292.46 (equivalent to S\$9,489,335 based on an exchange rate of S\$1: RM3.442^[1]) (the "**Purchase Consideration**") upon the terms and conditions of the SPA (the "**Proposed Disposal**").

The Purchaser is a company incorporated in Malaysia and is in the business of manufacturing and dealing of chemical products, sealants and special adhesive products. The Purchaser is not related to the Group, the Directors and controlling shareholders of the Company, and their respective associates.

2. INFORMATION OF THE PROPERTY

The information of the property is as follows:

An industrial land held under GM 684 Lot 182 in Mukim of Plentong, District of Johor Bahru, State of Johor containing an area measuring approximately 3.9715 hectares.

An industrial land held under HS(M) 5504 PTD 209433 in Mukim of Plentong, District of Johor Bahru, State of Johor containing an area measuring approximately 2.6169 hectares.

An industrial land held under HS(M) 5312 PTD 209434 in Mukim of Plentong, District of Johor Bahru, State of Johor containing an area measuring approximately 1.992 hectares.

3. SALIENT TERMS OF THE PROPOSED DISPOSAL

The Purchase Consideration was arrived at on a willing buyer and willing seller basis. In deriving the Purchase Consideration, the Group had taken into account: (i) the independent valuation of the Property last conducted on 12 November 2022; (ii) general property market conditions; and (iii) the current economic environment. Further details on the valuation of the Property are set out in section 6 of this announcement.

The Purchase Consideration will be satisfied by the Purchaser in cash as follows:

- (a) a sum of RM3,266,229.25 (equivalent to S\$948,933 based on an exchange rate of S\$1: RM3.442^[1]) being the deposit and part payment towards the Purchase Consideration upon the execution of the SPA;
- (b) the balance sum of RM29,396,063.21 (equivalent to S\$8,540,402 based on an exchange rate of S\$1: RM3.442^[1]) being the balance of the Purchase Consideration upon completion of the Proposed Disposal which shall be within 6 months. ("**Completion**").

[1] Exchange rate of S\$1: RM3.442 based on the rate extracted on 14 September 2023.

4. RATIONALE FOR THE PROPOSED DISPOSAL

The rationale for the proposed disposal as there is a willing buyer that expressed interest in purchasing the property.

5. USE OF PROCEEDS

The Company expects to receive gross proceeds of RM16,331,146.23 (equivalent to S\$4,744,668 based on an exchange rate of S\$1: RM3.442^[1]) from the Proposed Disposal. The Board presently intends to utilize the proceeds for strategic investments, funding operation, funding the expansion of our product range, building new brands and entering new markets.

6. VALUE OF THE PROPERTY

Based on the latest announced unaudited consolidated financial statements of the Group for the 6-month financial period ended 31 March 2023 (“HY2023”), the net carrying amount of the Property as at HY2023 was approximately RM10,488,608 (equivalent to S\$3,047,242 based on an exchange rate of S\$1: RM3.442^[1]).

Based on the desktop valuation of the Property commissioned by the Group and undertaken by the independent professional valuer, the market value ascribed to the Property as at 30 September 2022 in its valuation report dated 12 November 2022 (“Valuation Report”) was RM32,540,000 (equivalent to S\$9,453,806 based on an exchange rate of S\$1: RM3.442^[1]). The valuation method adopted was the direct comparison method.

7. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The financial effects of the Proposed Disposal set out below are purely for illustrative purposes only and do not reflect the actual future financial position of the Company or the Group after the Completion.

The financial effects of the Proposed Disposal were calculated based on the audited consolidated financial statements of the Group for the financial year ended 30 September 2022 (“FY2022”), being the most recently completed financial year for which financial statements are publicly available as at the date of this announcement.

The Group’s net asset value up to the expected date of completion of the Proposed Disposal is S\$58,195,000. After taking into account the estimated costs of the Proposed Disposal, the Group is expected to record a gain of S\$1,206,000 from the disposal of the Property.

7.1 Net Tangible Assets (“NTA”)

For illustrative purposes only, the effect of the Proposed Disposal on the NTA per share of the Group for FY2022, assuming that the Proposed Disposal had been effected as at 30 September 2022 is as follows:

As at 30 September 2022	Before the Proposed Disposal	After the Proposed Disposal
NTA (S\$'000)	58,195	59,401
Number of issued shares (excluding treasury shares and subsidiary holdings) ('000)	209,826	209,826
NTA per share (Singapore Cents)	27.73	28.31

[1] Exchange rate of S\$1: RM3.442 based on the rate extracted on 14 September 2023.

7.2 Earnings per share (“EPS”)

For illustrative purposes only, the effect of the Proposed Disposal on the EPS of the Group for FY2022, assuming that the Proposed Disposal had been effected on 30 September 2022 is as follows:

FY2022	Before the Proposed Disposal	After the Proposed Disposal
Profit attributable to the equity holder of the Company (S\$'000)	1,760	2,966
Weighted average number of issued shares (excluding treasury shares and subsidiary holdings) ('000)	209,826	209,826
EPS (Singapore Cents)	0.84	1.41

8. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company and their respective associates has any interest, direct or indirect, in the Proposed Disposal, other than through their respective shareholdings (if any) in the Company.

By order of the Board

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

Date: 20 September 2023

[1] Exchange rate of S\$1: RM3.442 based on the rate extracted on 14 September 2023.