CASA HOLDINGS LIMITED

ANNUAL REPORT 2017

CONTENTS

CORPORATE PROFILE

The Group had its beginnings in 1976 when Casa (S) Pte Ltd was set up to market and distribute Faber Cooker hoods. Since then the Group has forged partnerships with some exclusive brand names for home appliances, consumer electronics and bathroom fixtures from Europe. Eventually they become synonymous with quality home appliances.

Listed on 20 September 1995 on SGX Mainboard the Group's core strength is market, distribute and provide after-sales services/technical supports. In Singapore, the Group has established a wide network of dealers including electrical retailers, interior designers, chain stores and property developers. The Group has a geographical footprint spanning in Southeast Asia, South Asia, North Africa, Middle East and certain European countries to distribute its products.

In 2013, the Group ventures into property development in the Iskandar region in Malaysia as one of our diversification plans.

LETTER TO SHAREHOLDERS

DEAR SHAREHOLDERS

REVIEW OF OPERATIONS

The Group's revenue reported at $19.3 million for the financial year ended 30 September 2017 ("FY2017"), a 14.2% increase from $16.9 million as compared to the last financial year. The increase is mainly due to the Group taking on a new distributorship - Beko household appliances, during FY 2017.

Despite the increase in revenue, we registered a net loss of $14.0 million for the year ended 30 September 2017 ("FY 2017"), as compared to a loss of $1.8 million recorded in the prior year. This was mainly due to:

(i) loss on disposal of shares in associated company, Fiamma Holdings Berhad ("Fiamma") during the year amounting to $0.4 million;

(ii) fair value loss on assets held for sale of $5.8 million as a result of 58 million ordinary shares in Fiamma committed for sale being valued at share prices of 52 sen as at 30 September 2017;

(iii) impairment loss on investments in Fiamma of $7.5 million, whereby the remaining 74,889,000 ordinary shares in Fiamma, is recognised based on fair value less costs to sell of 52 sen as at 30 September 2017; and

(iv) impairment loss on non-trade receivable from an associate company in China, CZ Asteras, amounting to $2.4 million, after taking into consideration the latest financial results for FY2017 and projected cashflows of CZ Asteras.

The losses are partially offset against (i) fair value gain on derivative financial instrument of $0.4 million and (ii) gain on amortisation of interest-free non-current payables of $2.2 million.

Our loss per share for FY 2017 was 6.03 cents (2016: earnings per share of 0.03 cents). Our net asset value per share for FY 2017 was 28.27 cents (2016: 34.42 cents).

The Board did not propose any dividend payment for FY 2017.

OUTLOOK

As at 30 September 2017, the Group has current liabilities including bank borrowings of approximately $13,254,000 (2016: $9,840,000) which are contractually due for repayment within twelve months from the end of financial year. To raise funds for the repayment of the Group's current bank borrowings and expansion plan, we committed a plan to dispose 58 million ordinary shares of the issued and paid-up share capital of Fiamma. Subsequent to year end, we disposed 13,600,000 ordinary shares in Fiamma to a related party for a total consideration of approximately RM 7,480,000 (approximately $2,407,000). In addition, the Company entered into two conditional sale and purchase agreements with a related party and a non-related party to dispose 16,400,000 and 28,000,000 ordinary shares in Fiamma respectively for a total consideration of approximately RM24,420,000 (approximately $7,858,000). The transactions are subjected to shareholders' approval in the forthcoming EGM.

LETTER TO SHAREHOLDERS

As for our core operation of home appliances business, the Trading Segment has been generating positive results for the past few financial years. In addition, we have also taken up the distributorship of Beko household appliances in FY2017 and this has generated higher revenue and profit for the financial year. Therefore, barring unforeseen circumstances and rising business cost, we expect this business segment to be able to generate cash flow and contribute profit to the Group. Moreover, we are planning to expand our distribution business further to Australia to increase our revenue and improve our bottom line.

On the Property Development Segment, we are of the view that the property market in Malaysia remains sluggish. The progress of the development will be adjusted in accordance to the market situation. We are hopeful that the recent progress of the KL-Singapore High Speed Train and Johor-Singapore Rapid Transit System will further drive demand for property in Iskandar going forward.

CORPORATE SOCIAL RESPONSIBILITY

As a long established and reliable home appliances supplier in Singapore, Casa conscientiously endeavors to source for more energy efficient and eco-friendly household appliances to market and distribute. Our staff always adopt an environmental friendly culture to constantly look for efficiencies and reduce, reuse and recycle materials to minimise wastage. From time to time, we donate to the needy and bond with the less privileged community to promote staff volunteerism in contributing back to the society.

We would like to express our sincere appreciation to all our valued shareholders, dealers, suppliers, service providers, bankers and business associates for their continued support. We would also like to thank our dedicated management team and staff for their loyalty and contribution to the Group.

LIM YIAN POH
Chairman and Independent Director

LIM SOO KONG @ LIM SOO CHONG
Founder, CEO and Executive Director

BOARD OF DIRECTORS

MR LIM YIAN POH

Chairman and Independent Director

Mr Lim Yian Poh, age 71, has served as an Independent Director since 4 November 2008. He was last re-elected as a Director on 29 January 2015 and was appointed as a Chairman of the Board of Directors on 14 November 2017. Mr Lim has extensive experience in the banking and finance industry and is currently the managing director of Yian Poh Associates, a financial consultancy and investment firm. He is also an independent director of TTJ Holdings Ltd and Zicom Group Ltd, a company listed on the Australian Stock Exchange. He is an Honorary Commercial Advisor to The Administrative Committee of JiaXing Economic Development Zone, China, an Expert Consultant of Suzhou Vocational University China and a member of the Advisor Panel of the Singapore Food Manufacturers' Association. He holds a Bachelor of Science degree from Nanyang University, Singapore and a Master of Science degree from the University of Hull, UK.

DR LOW SEOW CHAY

Independent Director

Dr Low Seow Chay, age 68, has served as an Independent Director of Casa Holdings Limited since 28 August 1995. He is the Chairman of the Audit Committee, Nominating Committee and Remuneration Committee. He was last re-elected as a Director on 20 January 2017. Dr Low was an associate professor with Nanyang Technological University and a retired Member of Parliament serving the Single Member Constituency ward of Chua Chu Kang. He is now an independent director of Hor Kew Corporation Ltd, Hai Leck Holdings Limited and LK Technology Holdings Ltd. Dr Low holds a PhD in Mechanical Engineering from University of Manchester, UK.

MR LIM SOO KONG @ LIM SOO CHONG

CEO and Executive Director

Mr Lim Soo Kong, age 71, is the CEO of Casa Holdings Limited. He is a founder member of the Company and was appointed to the Board on 2 September 1994. Mr Lim is a director in all the various subsidiaries in the Group. He is also a non-independent and non-executive director of Fiamma Holdings Berhad, an associate corporation listed on the Mainboard of the Bursa Malaysia Securities Berhad. He graduated with a Diploma in Mechanical Engineering from the Singapore Polytechnic.

MR HU ZHONG HUAI

Non-Executive and Non-Independent Director

Mr Hu Zhong Huai, age 40, is a Non-Executive and Non-Independent Director since 30 October 2007 and a major shareholder of Casa Holdings Limited. He was last re-elected as a Director on 23 January 2014. Mr Hu is a director of a major subsidiary in the Group. Mr Hu is a businessman and an entrepreneur in home appliances business. He is currently a director of Arda (Zhejiang) Electrical Co., Ltd, China. He holds a Bachelor of International Business degree from the University of Victoria, Canada.

MR STEFAN MATTHIEU LIM SHING YUAN

Non-Executive and Non-Independent Director

Mr Stefan Matthieu Lim Shing Yuan, age 38, is a Non-Executive and Non-Independent Director of Casa Holdings Limited since 17 September 2009. He is the son of Mr Lim Soo Kong @ Lim Soo Chong. He was last re-elected as a Director on 29 January 2016. Mr Lim is a general manager and a director of Polybuilding (S) Pte Ltd. He holds a Master of Business Systems and Bachelor of Commerce (Accounting & Finance) degree from Monash University, Australia.

KEY MANAGEMENT

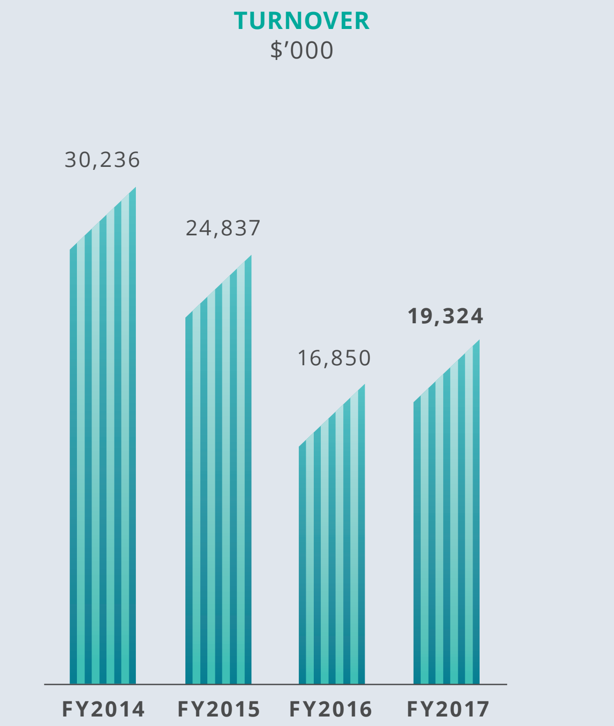
MR YUAN HEE PENG
General Manager

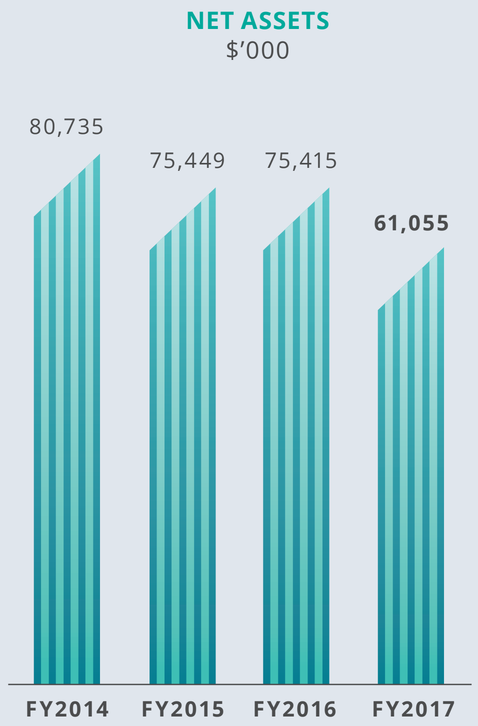
Mr Yuan Hee Peng, age 61, is the General Manager and is responsible for the operations in Singapore. He joined the Group in 1980. Mr Yuan holds a Master of Business Administration from the University of Hull, UK and a Bachelor of Business degree from the Royal Melbourne Institute of Technology, Australia and a Diploma in Marketing from the Chartered Institute of Marketing, UK. He is also an ordinary member of the Management Development Institute of Singapore and the Singapore Institute of Management.

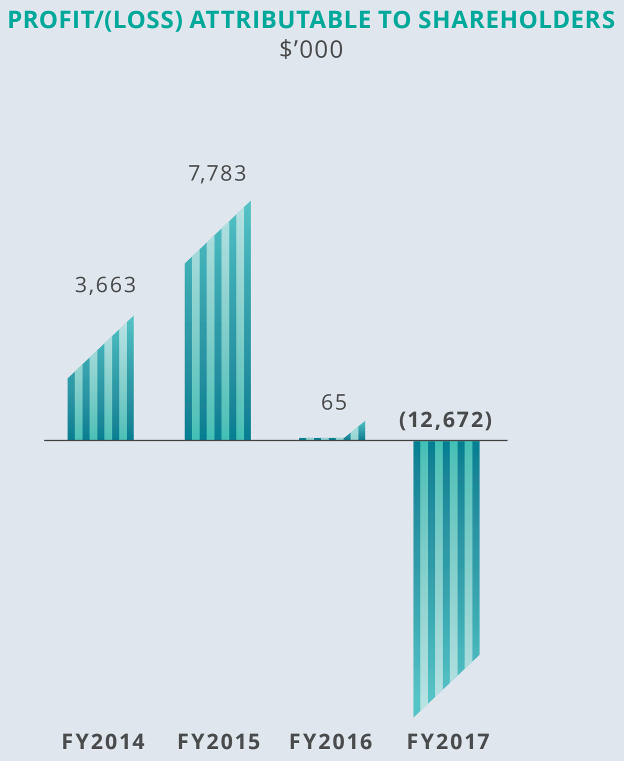
MS MARGARET CHAK LEE HUNG
Group Financial Controller

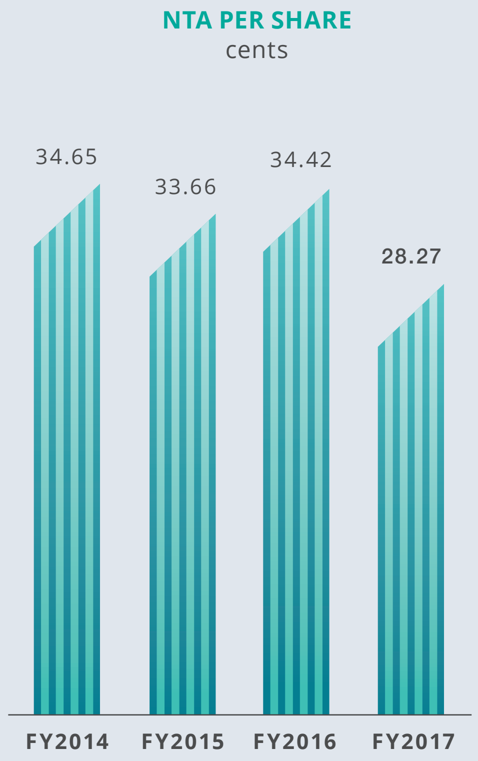
Ms Margaret Chak Lee Hung, age 45, is the Group Financial Controller and Joint Company Secretary. She is responsible for all aspects of financial management, accounting and company secretarial functions of the Group. She joined the Group in 2005 and has more than 20 years of experience in financial management and accounting. She is also a non-independent and non-executive director of Fiamma Holdings Berhad, an associate corporation listed on the Mainboard of the Bursa Malaysia Securities Berhad. Ms Chak holds a Bachelor of Economics (major in Accountancy) degree from Macquarie University, Sydney and is a member of the Institute of Singapore Chartered Accountants.

FINANCIAL HIGHLIGHTS

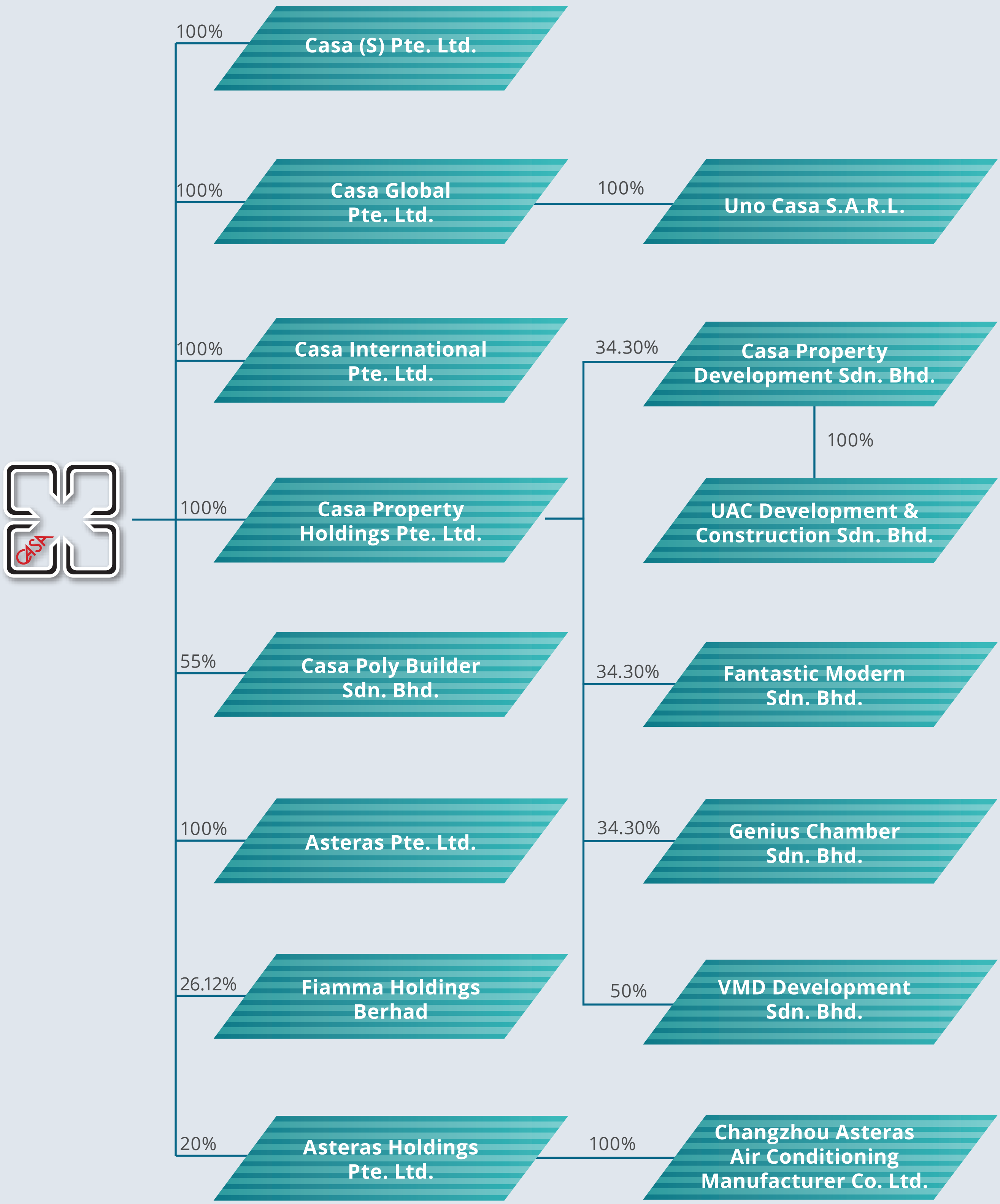








CORPORATE STRUCTURE



CORPORATE GOVERNANCE REPORT AND FINANCIAL CONTENTS

CORPORATE GOVERNANCE REPORT

The Board of Directors of Casa Holdings Limited (the "Company"), are committed to high standards of corporate governance and adopting the corporate governance practices contained in the Code of Corporate Governance 2012 ("Code") so as to ensure greater transparency and protection of shareholders' interests. This statement outlines the main corporate governance practices that were in place throughout the financial year.

The Board confirms that the Group has complied with the best practices of the Code throughout the financial year ended 30 September 2017.

BOARD MATTERS

Principle 1: Board's Conduct of its Affairs

The Board has the responsibility for the overall management of the Group. Specifically, the principal functions of the Board are to:

1. Approve the corporate direction and strategy of the Group and monitor the performance of the Management;

2. Approve the nomination of directors and appointment of key managerial personnel;

3. Approve the annual budget, major funding proposals and investment proposals, and ensure the necessary financial and human resources are in place for the Group to meet its objectives;

4. Establish a framework of prudent and effective controls which enable risks to be properly assessed and managed; including safeguarding of shareholders' interests and Group's assets;

5. Identify the key stakeholder groups and recognise that their perceptions affect the Company's reputation;

6. Review the financial performance and necessary reporting compliance;

7 Set Company values and standards (including ethical standards) and ensure that obligations to shareholders and other stakeholders are understood and met;

8. Assume responsibility for corporate governance; and

9. Consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

To assist in the execution of its responsibilities, the Board delegates specific areas of responsibilities, without abdicating its responsibilities to three Board Committees namely the Audit Committee, Nominating Committee and Remuneration Committee. These committees function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis. The effectiveness of each committee is also constantly reviewed by the Board.

The full Board meets on a regular basis and as when necessary to address any specific significant matters that may arise.

The number of Board and Board Committee meetings held during the Financial Year 2017 and the attendance of each director where relevant are as follows:

	Board	Audit Committee	Nominating Committee	Remuneration Committee
No. of meetings	2	2	1	1
No. of meetings attended by respective directors				
Lim Soo Kong @ Lim Soo Chong	2	N.A.	1	N.A.
Hu Zhong Huai	2	N.A.	N.A.	1
Low Seow Chay	2	2	1	1
Lim Yian Poh	2	2	1	1
Stefan Matthieu Lim Shing Yuan	2	2	N.A.	N.A.

All directors attended the AGM on 20 January 2017.

The Board has identified a number of areas for which the Board has direct responsibility for decision making. Interested Person Transactions and the Group's internal control procedures are also reviewed by the Board. Major investments and funding decisions are approved by the Board.

The Board also meets to consider the following corporate matters:-

(i) Approval of half yearly and year end result announcements;

(ii) Approval of the annual reports and accounts;

(iii) Convening of shareholder's meetings;

(iv) Approval of corporate strategies;

(v) Material acquisitions and disposal of assets;

(vi) Declaration of interim dividends and proposal of final dividends; and

(vii) Appointment and removal of the Company Secretaries.

There were no incoming Directors during the course of the financial year. When the existing Directors were appointed, the Company conducted a comprehensive orientation programme to provide them with extensive background information about the Group's structure and core values, its strategic direction and corporate governance practices as well as industry-specific knowledge. Directors have the opportunity to visit the Group's operational facilities and meet with the Management to gain a better understanding of the Group's business operations. The orientation programme gives the Directors an understanding of the Group's businesses to enable them to assimilate into their new role. It also allows the new Directors to get acquainted with the Management, thereby facilitating Board interaction and independent access to the Management.

Board members have attended seminars and received training in connection with their duties as directors in areas such as accounting and legal knowledge, particularly on latest developments to relevant laws, regulations, accounting standards and changing commercial risks to enable them to make well-informed decision and to ensure that the Directors are competent in carrying out their expected roles and responsibilities.

The Directors are updated on the regulations of the SGX-ST, Companies Act and other statutory requirements when the need arises.

The duties and responsibilities of the executive directors are clearly set out in their service agreements.

Principle 2: Board Composition and Guidance

The Board of Directors comprises 5 directors, 2 of whom are independent directors. The Directors of the Company as at the date of this statement are:

(i) Mr Lim Yian Poh (Chairman and Independent Director)

(ii) Mr Lim Soo Kong @ Lim Soo Chong (Executive Director and Chief Executive Officer)

(iii) Mr Hu Zhong Huai (Non-Executive and Non-Independent Director)

(iv) Dr Low Seow Chay (Independent Director)

(v) Mr Stefan Matthieu Lim Shing Yuan (Non-Executive and Non-Independent Director)

The Nominating Committee ("NC") is of the view that the current Board comprises directors who as a group provide core competencies such as commerce, business or management experience, industry knowledge, strategic planning experience, customer-based experience or knowledge and familiarity with regulatory requirements and risk management.

The Board is of the view that the current size of the Board is appropriate for effective decision making, taking into account the nature and scope of the Company's operations.

Key information regarding the Directors is provided on Page 4.

Independent Directors

The Board of Directors has two directors who are independent members. The criteria for independence is determined based on the definition as provided in the Code. Each Independent Director is required to declare his independence on an annual basis. In respect of the financial year ended 30 September 2017, the Nominating Committee is satisfied with the independent status of the Independent Directors and the independent element on the Board is maintained.

In the course of the financial year, the NC assessed the independence of Board members in light of Guideline 2.4 of the Code which requires that the independence of any Director who has served on the Board beyond nine years, from the date of first appointment, be subject to particularly rigorous review. Dr Low Seow Chay who was appointed as an Independent Director on 28 August 1995 and Mr Lim Yian Poh who was appointed as an Independent Director on 4 November 2008 would have served on the Board for more than nine years. The Board is of the view that both Dr Low and Mr Lim have demonstrated strong independent character and judgement over the years in discharging their duties and responsibilities as Independent Directors of the Company with the utmost commitment in upholding the interest of the non-controlling shareholders. They have expressed individual viewpoints, debated issues and objectively scrutinised Management. They have sought clarification and amplification as they deemed necessary, including through direct access to the Management. Taking into account the above, and also having weighed the need for the Board's refreshment against tenure for relative benefit, the Board has recommended that both Dr Low and Mr Lim continue to be considered as Independent Directors.

The Company coordinates informal meeting sessions for independent directors to meet on a need-basis without the presence of the Management to discuss matters such as the Group's financial performance, corporate governance initiatives, board processes, succession planning as well as leadership development and the remuneration of the Executive Director(s).

Principle 3: Chairman and Chief Executive Officer

In compliance with the Code, the Chairman and the Chief Executive Officer ("CEO") are separate persons. The Chairman is Mr Lim Yian Poh, while the CEO is Mr Lim Soo Kong @ Lim Soo Chong. Both the Chairman and the CEO are not related to each other.

The roles of the Chairman and the CEO are separate. This is to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The Chairman:

(i) Oversees the Group's corporate governance structure and conduct to ensure high standard of corporate governance;

(ii) Leads the Board to ensure effective functioning of the Board and its Board committees;

(iii) Sets the agenda and ensures that adequate time is available for discussion of all items on the agenda, in particular strategic issues;

(iv) Promotes a culture of openness and debate at the Board;

(v) Ensures that the Directors receive complete, adequate and timely information;

(vi) Ensures effective communication with Shareholders;

(vii) Encourages constructive relations within the Board and between the Board and the management; and

(viii) Facilitates the effective contribution of Non-Executive directors.

The Board has delegated the day-to-day management to the CEO. The CEO is the overall coordinator of the Management team for the effective implementation of business strategies and policies and is supported by the respective Heads of Departments. The CEO also assists in ensuring compliance with the Company's guidelines on corporate governance.

Principle 4: Board Membership

The Nominating Committee ("NC") comprises 3 directors, a majority of whom are independent. The members of the NC are:

- Dr Low Seow Chay — *Chairman and Independent Director*
- Mr Lim Yian Poh — *Independent Director*
- Mr Lim Soo Kong @ Lim Soo Chong — *CEO, Executive Director*

The NC's principal functions are as follows:

(a) Recommend to the Board on all board appointments and re-appointments;

(b) Determine orientation programmes for new Directors, and recommend opportunities for the continued training and professional development of the Directors;

(c) Determine independence of the Directors annually;

(d) Determine whether or not a Director is able to and has been adequately carrying out his duties as Director of the Company taking into consideration of the individual Director's competencies, commitment, contribution and performance, such as his attendance at meetings of the Board and/or Board committees, participation, candour and any special contribution;

(e) Review the size and composition of the Board with the objective of achieving a balanced Board with a proper mix of experience and expertise and progressive renewal of the Board;

(f) Review of board succession plans for the CEO; and

(g) Evaluate the Board's performance and the contribution by each director to the effectiveness of the Board, and to adopt appropriate measures to assess performance.

The NC assesses the effectiveness of the Board as a whole and takes into account each Director's contribution and devotion of time and attention to the Company. The NC is of the view that the effectiveness of each of the Directors is best assessed by a qualitative assessment of the Director's contributions. While having a numerical limit on the number of Directorships may be considered by some other companies to be suitable for their circumstances, at present the Company considers the assessment as described above to be more effective for its purposes. The Company also does not wish to omit from consideration outstanding individuals who, despite the demands on their time, have the capacity to participate and contribute as new members of the Board.

The NC is responsible for identifying candidates and reviewing all nominations for the appointments of new Directors.

When an existing Director chooses to retire or the need for a new Director arises, either to replace a retiring Director or to enhance the Board's strength, the NC, in consultation with the Board, determines the selection criteria and identifies candidates with the appropriate expertise and experience for the appointment as new Director. The NC then meets with the shortlisted potential candidates with the appropriate profile to assess suitability and to ensure that the candidates are aware of the expectation and the level of commitment required, before nominating the most suitable candidate to the Board for appointment as director.

The role of the NC also includes the responsibility of reviewing the re-nomination of directors who retire by rotation, taking into consideration the director's integrity, independence mindedness, contribution and performance (such as attendance, participation, preparedness and candour) and any other factors as may be determined by the NC.

Pursuant to Article 107 of the Company's Constitution, all Directors shall retire from office once every three years and one-third of the Board are to retire from office by rotation and be subject to re-appointment at the Company's AGM. In addition, Article 117 of the Company's Constitution provides that a newly appointed director must retire and submit himself for re-appointment at the next AGM following his appointment. Thereafter, he is subject to be re-appointed at least once every three years.

The Board recognises the contribution of its Independent Directors who over time have developed deep insight into the Group's businesses and operations and who are therefore able to provide invaluable contributions to the Group. As such, the Board has not set a fixed term of office for each of its Independent Directors so as to be able to retain the services of the Directors as necessary.

Principle 5: Board Performance

The NC has an established appraisal process to assess the performance and effectiveness of the Board as a whole. In this aspect, both quantitative and qualitative criteria were adopted. The criteria adopted include the effectiveness of the Board in its monitoring role and the attainment of the strategic and long-term objectives set by the Board.

On an annual basis, each Director will assess the effectiveness and performance of the Board as a whole. The Company has also put in place a process to assess the performance of individual Directors as well as the Board Committees.

Principle 6: Access to Information

Management provides the Board with adequate and timely information on matters which require the Board's decision or approval, or which the Board should have knowledge of. Requests for information from the Board are dealt with promptly by management. The Board has separate and independent access to senior management.

The Board is informed of all material events and transactions as and when they occur. The management consults with Board members regularly whenever necessary and appropriate. The Board is issued with board papers timely and prior to Board meetings. All Directors are updated on an on-going basis via Board meetings and by way of circulars on matters relating to changes to the regulations of the SGX-ST, Companies Act, accounting standards and other statutory requirements.

Information provided also include background or explanatory information relating to matters to be brought before the Board, copies of disclosure documents, budgets and monthly internal financial statements on significant subsidiary corporations.

The Board also has separate and independent access to the company secretary at all times. The phone numbers and email addresses of each Director and Company Secretary have also been provided to facilitate access to any required information.

The Company Secretaries, or her representatives, attend all board meetings. The Company Secretaries administer, attend and prepare minutes of Board meetings, and assist the Chairman in ensuring that Board procedures are followed and reviewed so that the Board functions effectively, the Company's Constitution and the relevant rules and regulations applicable to the Company are complied with and advises the Board on all governance matters. The Company Secretaries shall ensure good information flows within the Board and its committees, as well as between senior management and non-executive directors, and shall facilitate orientation and assist in professional development when required.

The Board in fulfilling its responsibilities, can as a group or individually, when deemed fit, direct the Company to appoint professional adviser to render professional advice.

Principle 7: Policy for Developing Remuneration Policies

The Remuneration Committee ("RC") comprises 3 directors, all non-executive with a majority of whom are independent. The members of the RC are:

- Dr Low Seow Chay — Chairman and Independent Director
- Mr Lim Yian Poh — Independent Director
- Mr Hu Zhong Huai — Non-Executive and Non-Independent Director

The functions of the RC are to review and recommend the remuneration packages of the Executive Directors and key management personnel of the Company to ensure that it is competitive and sufficient to attract, retain and motivate personnel of the required quality; oversee and review the administration and management of the Employees Share Options ("ESOS"), if any, and to review the appropriateness of compensation for Non-Executive Directors commensurate with the contribution and responsibilities of the directors including but not limited to Directors' fees, allowances, bonuses, share options, share-based incentives and awards and benefits in kind, if any. The RC has access to external expert advice, if required.

Principle 8: Level and Mix of Remuneration

In making its recommendations to the Board on the level and mix of remuneration, the Remuneration Committee seeks to be competitive in order to attract, motivate and retain high-performing executives to drive the Group's businesses whilst operating within the Group's risk parameters, so as to maximise long-term shareholder value. In its deliberation of remuneration level and mix, the RC takes into consideration industry practices and benchmarks against relevant industry players as well as comparable positional responsibilities to ensure that its remuneration practices are competitive. The Company adopts a performance-driven and meritocratic approach to compensation, with rewards linked to individual and corporate performance to align interests of Management with those of Shareholders and promote the long-term success of the Company. Such performance-related remuneration should take account of the risk policies of the company, be symmetric with risk outcomes and be sensitive to the time horizon of risks.

The Executive Director(s) have service contracts which include a profit sharing element which is Group performance related. Non-Executive Directors have no service contracts. The payment of fees to Non-Executive Directors is subject to approval at the annual general meeting of the Company. No director is involved in deciding his own remuneration.

Principle 9: Disclosure on Remuneration

A breakdown showing the level and mix of each individual director's remuneration paid or payable for FY2017 is as follows:

	2017	2016
$500,000 to below $750,000	–	1
$250,000 to below $500,000	1	–
Below $250,000	4	4
Total	5	5

Name	Remuneration Band	Salary %	Profit Sharing %	Fringe Benefits %	Directors' Fees# %	Total %
Lim Soo Kong @ Lim Soo Chong	$250,000 to below $500,000	96.4	–	3.6	–	100
Hu Zhong Huai	Below $250,000	–	–	–	–	–
Low Seow Chay	Below $250,000	–	–	–	100	100
Lim Yian Poh	Below $250,000	–	–	–	100	100
Stefan Matthieu Lim Shing Yuan	Below $250,000	–	–	–	100	100

Directors' fees are subject to Shareholders' approval at the forthcoming annual general meeting.

The Company has only two key management personnel as disclosed in Page 5.

	2017	2016
Remuneration of the top 2 key management personnel		
Below $250,000	2	2

Although the Code recommends the full disclosure of the remuneration of each individual director as well as the disclosure of the total remuneration paid to the top five key management personnel in aggregate, the Board believes that disclosure in such detail may be prejudicial to the business interest of the Group given the highly competitive environment it is operating in as well as competitive pressures in the talent market.

The Company does not have any employee who is an immediate family member of a Director or CEO.

Principle 10: Accountability

The Company prepares its financial statements in accordance with the Singapore Financial Reporting Standards ("SFRS") prescribed by the Accounting Standards Council. The Company disseminates half-yearly financial results and other related material information of the Group to Shareholders via announcements to the SGX-ST and, where appropriate, press releases, and media and analyst briefings. In communicating and disseminating its results, the Company aims to present a balanced and clear assessment of the Group's performance, position and prospects. In addition, where appropriate and necessary, details on the Group's diverse business operations are also discussed to provide shareholders and the public with clarity and better understanding of its business portfolio. In addition, the Board receives from Senior Management monthly management accounts of significant subsidiaries which present a balanced and understandable assessment of the Group's performance, position and prospects.

Principle 11: Risk Management and Internal Controls

The Company regularly reviews and improves its business and operational activities to identify areas of significant business risks as well as take appropriate measures to control and mitigate these risks. The Company has an Enterprise Risk Management Framework in place for the Group. The said Framework has been reviewed by the Audit Committee ("AC") and approved by the Board of Directors. The AC and the Management will continually assess the adequacy and effectiveness of the risk management framework and processes.

The Board is responsible for the overall internal control framework and has put in place a system of internal controls within the Group to safeguard shareholders' interests and the Group's assets, and to manage risks.

The Company's internal auditor conduct an annual review of the effectiveness of the Company's material internal control systems including financial, operational, compliance and information technology controls and risk assessment at least annually to ensure the adequacy thereof. In addition, an annual review is also conducted to ensure that safeguards, checks and balances are put in place to prevent any conflict of interest or any weakening of internal controls. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the AC. The AC also reviews the effectiveness of the actions taken by the Management on the recommendations made by the internal auditor in this respect.

The Board has also received assurance from the Chief Executive Officer and the Group Financial Controller that (i) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances, and (ii) the Company's risk management and internal control systems in place are effective.

Based on the internal controls established and maintained by the Group, works performed by internal auditor and actions taken by the management on the on-going review and continuing efforts at enhancing controls and processes, the Board with the concurrence of the AC, is of the view that the system of internal control (including financial, operational and compliance and information technology controls, and risk management systems) maintained by the Company's management is adequate and effective against material financial misstatements or loss, and includes the safeguarding of shareholders' investments and the Company's assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulation and best practice, and the identification and management of business risks.

Principle 12: Audit Committee

All members of the Audit Committee ("AC") are non-executive, a majority of whom are independent directors. At the date of this report, the Audit Committee comprises the following members:

- Dr Low Seow Chay — Chairman and Independent Director
- Mr Lim Yian Poh — Independent Director
- Mr Stefan Matthieu Lim Shing Yuan — Non-Executive and Non-Independent Director

The functions of the AC are as follows:

(a) Review the half-yearly and annual financial statements and the independent auditor's report of the Group and the Company before submitting to the Board of Directors; such reviews will also include the review of the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Company and any formal announcements relating to the Group's financial performance;

(b) Review and reporting to the Board at least annually, with the management and the internal auditor, the adequacy and effectiveness of the Group's internal financial controls, operational, compliance controls and information technology controls, and risk management policies and systems established by the management;

(c) Reviewing the adequacy and effectiveness of the Group's internal audit function; including the audit plans for the financial year;

(d) Review the scope, results, cost effectiveness of the external audit, and the independence and objectivity of the independent auditor;

(e) Review compliance with the corporate governance guidelines on processes and activities adopted by the Board;

(f) Review related and interested party transactions; and

(g) Make recommendations to the Board on the proposals to the shareholders on the appointment, reappointment and removal of the independent auditor, and approve the remuneration and terms of engagement of the independent auditor.

There is a whistle-blowing policy for the Group and policies and procedures are in place for any staff of the Group who may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. Arrangements are also in place for the independent investigation of such matters and for appropriate follow up action. Such policies and procedures have been reviewed by the AC.

The AC has the power to conduct or authorise investigations into any matters within the AC's scope of responsibility. The AC is authorised to obtain independent professional advice if it deems necessary in the discharge of its responsibilities. Such expenses are to be borne by the Company.

The AC has full access to and co-operation of the Company's management and both the independent auditor and internal auditor and has full discretion to invite any director or executive officer to attend the meetings, and has been given reasonable resources to enable it to discharge its functions. During the financial year, the AC met with the independent auditor and internal auditor once without the presence of the management. The Company has complied with Rules 712 and 715 of the Listing Manual issued by SGX in relation to its auditors.

The AC, having reviewed the range and value of non-audit services performed by the independent auditor, Nexia TS Public Accounting Corporation, and being satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the independent auditor, are pleased to confirm their re-nomination. During the financial year under review, the aggregate amount of fees paid to the independent auditor for audit and non-audit services amounted to S$93,000 and $17,000 respectively.

The AC is guided by the terms of reference which stipulate its principal functions.

The AC meets regularly with the Management and the independent auditor to review auditing and risk management matters and discuss accounting implications of any major transactions including significant financial reporting issues. It also reviews the internal audit functions to ensure that an effective system of control is maintained in the Group.

On a half yearly basis, the AC also reviews the interested person transactions and the financial results announcements before their submission to the Board for approval.

The AC is kept abreast by the Management, Company Secretaries and the independent auditor of changes to accounting standards, Listing Rules of the SGX-ST and other regulations which could have an impact on the Group's business and financial statements.

Principle 13: Internal Audit

The Company outsources its internal audit function to an external professional firm, who reports directly to the Chairman of AC and administratively to the CEO. The AC approves the hiring, removal, evaluation and compensation of the internal auditor. The objective of the internal audit function is to determine whether the Group's risk management, control and governance processes, as designed by the Company, is adequate and functioning in the required manner. The Internal Auditor has unfettered access to all the company's documents, records, properties and personnel, including access to the AC.

The AC reviews the adequacy and effectiveness of the internal audit function annually and ensures that the internal audit function is adequately resourced and has appropriate standing within the Company.

Principle 14: Shareholder Rights

The Company does not practise selective disclosure. In line with continuous obligations of the Company pursuant to the Singapore Exchange's Listing Rules, the Board's policy is that all shareholders should be equally provided with fair, relevant, comprehensive, pertinent and timely information of all major developments impacting the Group to enable them to make informed investment decisions.

At the Company's annual general meetings, shareholders are given the opportunity to voice their views and ask directors or management questions regarding the Company. Shareholders are also informed of the rules, including voting procedures, that govern general meetings of shareholders.

Principle 15: Communication with Shareholders

Material price sensitive and other pertinent information are simultaneously disseminated to the SGX-ST, and where relevant, the press. Results and annual reports are announced or issued within the mandatory period. Contact details and channels of communications with shareholders and public remain open and relevant information is duly updated and conveyed via the Company's websites and email channels.

Principle 16: Conduct of Shareholder Meetings

The Board welcomes the view of shareholders on matters affecting the Company at shareholders' meetings. The Board encourages active shareholder participation in general shareholders meetings, including AGMs and EGMs. It believes that general meetings are an opportune forum and suitable platform for shareholders, the Board and Management of the Company to engage in active exchange of ideas. In addition, the Company holds such shareholders meetings onsite at its premises in order to provide shareholders with greater opportunity to understand and appreciate the Company's business operations.

The Company sends its Annual Report and Notice of AGM to all shareholders. The Notice will also be published in either The Straits Times or The Business Times newspapers and will be made available on SGXNET. Separate resolutions are proposed for substantially separate issues at the meeting. At its AGM, shareholders have the opportunity to raise questions to the Board and senior Management, and clarify with them any issues they may have relating to the resolutions to be passed. The Chairman of the Audit, Remuneration and Nominating Committees, Board members and senior Management are required to attend shareholders' meetings and are on hand to address any questions raised. The Company's independent auditor is also present to address shareholders' queries on the conduct of audit and the preparation and content of the auditors' report, where necessary and appropriate.

Dealing in Securities

In line with Listing Rule 1207 (19) of the Listing Manual, the Company has in place a policy prohibiting dealings in the shares of the Company by Directors and Officers of the Company for the period of one month prior to the announcement of the Company's half yearly and yearly results as the case may be, and ending on the date of the announcement of the relevant results. Directors and Officers are discouraged from trading the Company's securities on short-term considerations and are expected to observe the insider trading laws at all times even when dealing in securities within permitted trading period.

Interested Person Transactions

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that transactions are conducted on an arm's length basis and are not prejudicial to the interests of the shareholders.

There were no interested person transactions (with value more than $100,000) for FY2017 except as follows:

Name of interested person	Nature	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)
Multicable Manufacturing (S) Pte Ltd	Rental income received	$475,000
Arda (Zhejiang) Electrical Co., Ltd	Purchase of goods	$576,000

DIRECTORS' STATEMENT

For the financial year ended 30 September 2017

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 30 September 2017 and the statement of financial position of the Company as at 30 September 2017.

In the opinion of the directors,

(a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 29 to 86 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 30 September 2017 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) at the date of this statement, subject to the going concern assumption as set out in Note 4 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are as follows:

Lim Soo Kong @ Lim Soo Chong
Hu Zhong Huai
Low Seow Chay
Lim Yian Poh
Stefan Matthieu Lim Shing Yuan

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
	At 30.9.2017	**At 1.10.2016**	**At 30.9.2017**	**At 1.10.2016**
The Company				
(No. of ordinary shares)				
Lim Soo Kong @ Lim Soo Chong	17,139,670	17,139,670	107,011,330	107,011,330
Hu Zhong Huai	17,380,110	17,380,110	107,011,330	107,011,330
Immediate and Ultimate Holding Corporation				
- Azzuri Holdings Pte Ltd				
(No. of ordinary shares)				
Lim Soo Kong @ Lim Soo Chong	2,000,000	2,000,000	–	–
Hu Zhong Huai	2,030,000	2,030,000	–	–

Directors' interests in shares or debentures (continued)

By virtue of Section 7 of Singapore Companies Act, Chapter 50, Lim Soo Kong @ Lim Soo Chong and Hu Zhong Huai are deemed to have interests in all the ordinary shares of the Company's subsidiary corporations.

The directors' interests in the ordinary shares of the Company and of the immediate and ultimate holding corporation as at 21 October 2017 were the same as those as at 30 September 2017.

Share options

No options have been granted to subscribe for unissued shares of the Company or its subsidiary corporations during the financial year.

No shares have been issued by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations during the financial year.

There were no unissued shares of the Company under options at the end of the financial year.

Audit Committee

The members of the Audit Committee ("AC") at the end of the financial year were as follows:

Low Seow Chay	(Chairman and Independent Director)
Lim Yian Poh	(Independent Director)
Stefan Matthieu Lim Shing Yuan	(Non-Executive and Non-Independent Director)

The AC met 2 times in the financial year under review and carried out its functions in accordance with Section 201B (5) of the Singapore Companies Act. In performing those functions, the AC:

- reviewed with the independent auditor, the audit plan, their evaluation of the Group's system of internal accounting controls, their audit report, management letter and the management's response; and also the assistance given by the Company's officers to the independent auditor;
- reviewed the scope and results of audit and its cost effectiveness and the independence and objectivity of the independent auditor, and where the independent auditor also supply a substantial volume of non-audit services to the Company, reviewed the nature and extent of such services to maintain the balance of objectivity and value for money;
- reviewed the half-year and full-year financial results of the Company and the consolidated financial statements of the Group before submission to the Board of Directors (the "Board") for approval;
- reviewed annually the effectiveness of the Company's material internal controls including financial, operational and compliance control and risk management;
- reviewed the independence of the independent auditor annually;
- considered and made recommendations to the Board on the appointment, re-appointment and removal of the independent auditor, their remuneration and terms of engagement;
- ensured that the internal audit function is adequately resourced and has appropriate standing within the Company and to review the adequacy of the function annually;
- reviewed the scope and results of the internal audit procedures;
- met with the independent auditor and internal auditors without the presence of the management annually;

Audit Committee (continued)

- reviewed interested persons transactions to be in compliance with the rules of the Listing Manual of Singapore Exchange Securities Trading and other relevant statutory requirements and any potential conflicts of interest; and
- commissioned and reviewed the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rules or regulations which has or is likely to have a material impact on the operating results and financial position of the Group.

The AC has recommended to the Board that the independent auditor, Nexia TS Public Accounting Corporation, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Independent Auditor

The independent auditor, Nexia TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the directors

Lim Soo Kong @ Lim Soo Chong
Director

Hu Zhong Huai
Director

29 December 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of Casa Holdings Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of Casa Holdings Limited (the "Company") and its subsidiary corporations (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 September 2017, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 29 to 86.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* paragraphs, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 September 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Qualified Opinion

The Group's investment in Fiamma Holdings Berhad ("Fiamma"), an associated company, is accounted for using the equity method, and is carried at approximately $12,533,000 (2016: $36,416,000) in the consolidated statement of financial position as at 30 September 2017. The Group's share of Fiamma's net profit of approximately $1,928,000 (2016: $2,090,000) and other comprehensive loss of approximately $371,000 (2016: other comprehensive income of $1,465,000) are included in the consolidated statement of comprehensive income for the financial year then ended.

Fiamma is a company listed on the Main Market of Bursa Malaysia. The component auditor cited Listing Rules of Bursa Malaysia as a factor in not being able to allow us access to themselves or their audit working papers. The component auditor was not agreeable to discuss the financial affairs and the audit of Fiamma. Due to the above restriction, we were also not able to perform any other satisfactory alternative procedures for us to fulfill the requirements of *Singapore Standard on Auditing 600, Special Considerations – Audit of Group Financial Statements (including the Work of Component Auditors)*. Therefore, we were unable to obtain sufficient appropriate evidence to ascertain the carrying amount of the Group's investment in Fiamma as at 30 September 2017, the Group's share of Fiamma's results and other comprehensive income for the financial year then ended and the related financial information of Fiamma as disclosed in Note 17 to the financial statements, and were unable to determine whether adjustments, if any, to these amounts were necessary.

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

As disclosed in Note 4 to the financial statements, the following circumstances give rise to material uncertainties as to the appropriateness of the use of the going concern assumption in the preparation of the accompanying financial statements of the Group for the financial year ended 30 September 2017:

(a) The Group incurred a net loss of approximately $14,028,000 (2016: $1,792,000) and net cash used in operating activities of approximately $12,000 (2016: $395,000) for the financial year ended 30 September 2017.

Material Uncertainty Related to Going Concern (continued)

(b) As at 30 September 2017, the Group has current liabilities including bank borrowings of approximately $13,254,000 (2016: $9,840,000) which are contractually due for repayment within twelve months from the end of financial year. As at 30 September 2017, the Group's unrestricted cash and cash equivalent amount of approximately $2,285,000 (2016: $6,722,000) may be insufficient to fulfil these obligations at the relevant repayments dates.

These conditions indicate the existence of material uncertainties which may cast significant doubts as to the ability of the Group to continue as a going concern and to realise their assets and discharge their liabilities in the ordinary course of business. In the event that the Group is unable to continue in operational existence in the next twelve months from the financial year ended 30 September 2017, the Group may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the consolidated statement of financial position. In addition, the Group may have to reclassify non-current assets and liabilities to current assets and liabilities respectively. The financial statements do not include any adjustment which may arise from these uncertainties. Our opinion is not modified in respect of this matter.

Nevertheless, the Board of Directors of the Company believes that the use of the going concern assumption in the preparation of the consolidated financial statements of the Group for the financial year ended 30 September 2017 is appropriate after taking into consideration the following assumptions and measures:

(i) During the financial year ended 30 September 2017, the Company committed a plan to dispose 58,000,000 ordinary shares of the issued and paid-up share capital of Fiamma within the next twelve months from the end of financial year to raise funds mainly for the repayment of the Group's current bank borrowings.

Subsequently, the Company announced that:

- On 29 November 2017, the Company disposed 13,600,000 ordinary shares in Fiamma to a related party for a total consideration of approximately RM7,480,000 (approximately $2,407,000);

- On 5 December 2017, the Company entered into two conditional sale and purchase agreements with a related party and a non-related party to dispose 16,400,000 and 28,000,000 ordinary shares in Fiamma respectively for a total consideration of approximately RM24,420,000 (approximately $7,858,000).

(ii) As at 30 September 2017, the Group is in a net current asset position of $49,815,000 which is considered sufficient to meet the Group's current liabilities for the next twelve months. In addition, one of the Company's directors has provided an undertaking not to recall for payment of current liabilities due to him of approximately $4,988,000 unless the Group has the financial ability to do so.

(iii) The Group's main operating segment, i.e. trading of home appliances has been generating positive results for the past few financial years and there is no history of default in payment to suppliers and financial institutions by the Group with regards to the Group's liabilities for its main operating segment. In addition, the Group has entered into a new distributorship during the financial year ended 30 September 2017 and has been able to generate higher revenue and results for the financial year then ended. Therefore, the Group expects this business segment to be able to generate sufficient cash flows to meet its own liabilities as and when required.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of non-trade receivables
Refer to Note 13 to the financial statements

Area of focus:

Included in trade and other receivables as at 30 September 2017 is an outstanding loan with carrying amount of approximately $2,479,000 (2016: $2,379,000) due from the Group's associated company, Changzhou Asteras Air Conditioning Manufacturer Co., Ltd ("CZ Asteras"). The loan was extended to CZ Asteras by the Company's wholly-owned subsidiary corporation, Asteras Pte Ltd many years ago when CZ Asteras was its wholly-owned subsidiary corporation and has remained outstanding as at 30 September 2017. Following the disposal of CZ Asteras by Asteras Pte Ltd on 31 August 2015, the loan had been reclassified as non-trade receivables from an associated company.

In view that the loan would be due for repayment soon based on the loan agreement signed with CZ Asteras on 1 November 2015, the Group has been following-up with management of CZ Asteras to seek advice on the payment arrangement of the outstanding amount, however there has been no firm reply nor plan received so far from management of CZ Asteras. There is an inherent uncertainty relating to the probability of recovering the outstanding loan from CZ Asteras based on the latest financial statements of CZ Asteras. Accordingly, the Group has performed an assessment of impairment on the outstanding loan due from CZ Asteras taking into consideration latest financial performance for the financial year ended 30 September 2017 and projected cash flows of CZ Asteras for the next four financial years. Based on the impairment assessment, the Group has recognised full allowance for impairment on the non-trade receivables due from CZ Asteras of approximately $2,479,000 in the financial year ended 30 September 2017.

Impairment of other receivables is considered as a key audit matter due to the significant judgements and estimates that need to be made in assessing whether any impairment has arisen as at financial year ended 30 September 2017. The risk of impairment is greater when there are potential impairment indicators such as decrease in estimated future cash flows, significant financial difficulties, breach of contract such as default in interest or principal.

How our audit addressed the area of focus:

In obtaining sufficient audit evidence on the assessment of the recoverability of non-trade receivables from CZ Asteras, we have discussed with management and obtained corroborative evidence regarding latest management's interaction and updates with management of CZ Asteras to evaluate management's assessment of the recoverability of non-trade receivables from CZ Asteras.

We reviewed the key assumptions used by management in assessing the recoverability of non-trade receivables from CZ Asteras taking into consideration actual current and historical financial performance of CZ Asteras and projected future cash flows of CZ Asteras. In reviewing the projected future cash flows of CZ Asteras, we considered and reviewed the most recent financial performance and cash flows position of CZ Asteras in assessing the possibility of CZ Asteras achieving the projected results and its ability in improving its financial position and performance in the next four years.

Key Audit Matters (continued)

Valuation of development properties
Refer to Note 15 to the financial statements

Area of focus:

The Group has significant residential development properties located primarily in the Iskandar region of Malaysia. The development properties are held with the intention for development and sale in the ordinary course of business and are stated at the lower of cost and estimated net realisable value ("NRV"), which represents the estimated selling price less costs to be incurred in selling the property. There is no revenue and related costs recognised from the sale of the Group's development properties for the financial year ended 30 September 2017 as the properties are at early stage of development with no sale transaction.

Specific audit focus in this area is required, as the determination of the estimated NRV of the development properties involve significant judgements and is critically dependent upon the Group's expectation of future selling prices which may be affected by market demand and competition from other property developers, and are assessed with reference to market prices at the reporting date for comparable properties less direct selling expenses, and management's estimation of the budgeted total costs to complete the development properties.

How our audit addressed the area of focus:

We discussed with management regarding its plan and status of the Group's development properties and evaluated management's commitment and ability to continue with the development. We also performed site visit to development properties to corroborate management's representation and to observe the development progress.

We reviewed the basis used by management in determining the estimated selling price and compared the forecast selling prices to, where applicable, recently transacted prices and prices of comparable properties located in the same vicinity as the Group's development project.

We assessed the Group's estimated total construction costs for development properties by comparing the budgeted costs to contracts and agreements and through inquiries with the project teams, taking into consideration the costs incurred to-date, status of construction progress and deviation in design plans or cost overrun, if any, the appropriateness of management's basis of allocating common costs and infrastructure costs which are capitalised in development properties.

We also reviewed and verified capitalisation of costs in the development properties and considered the adequacy of the disclosures in the financial statements.

Classification and measurement of non-current assets classified as held-for-sale
Refer to Note 6 to the financial statements

Area of focus:

The Company has an investment in associated company, Fiamma, which is a company listed on the Main Market of Bursa Malaysia. During the financial year ended 30 September 2017, the Company committed a plan to dispose 58,000,000 ordinary shares of the issued and paid-up share capital of Fiamma. Subsequently, the Company disposed 13,600,000 ordinary shares in Fiamma to a related party for a total consideration of approximately RM7,480,000 (approximately $2,407,000) on 29 November 2017, and entered into two conditional sale and purchase agreements with a related party and a non-related party on 5 December 2017 to dispose 16,400,000 and 28,000,000 ordinary shares in Fiamma respectively for a total consideration of approximately RM24,420,000 (approximately $7,858,000).

Although the proposed disposal is subject to approval from the shareholders at an Extraordinary General Meeting of the Company to be convened within the next twelve months from the end of financial year, management has assessed that the planned partial disposal of the Company's investment in Fiamma of 58,000,000 ordinary shares shall be classified and presented as "Assets held-for-sale" in accordance with *FRS 105 – Non-current Assets Held for Sale and Discontinued Operations*.

Key Audit Matters (continued)

Due to the level of judgements involved in assessing the criteria for separate classification and presentation of assets held-for-sale, estimating the fair value of the assets held-for-sale and also the significance of the carrying amounts of the assets held-for-sale, we considered this to be a key audit matter.

How our audit addressed the area of focus:

In order to establish management's intention for the disposal, we evaluated management's judgement on the classification of part of the investment in Fiamma to be disposed-off as held-for-sale through understanding the status and process of the proposed disposal, examining correspondences between management with the Board of Directors and professional advisors, and reviewing drafted and/or signed agreements between the Company and the buyers.

We assessed and reviewed the write-down of the investment in Fiamma to its fair value less costs to sell and evaluated management's judgement on the basis of the fair value amount as at the reporting date. We also considered the adequacy of related disclosures made in the financial statements.

Other information

Management is responsible for the other information. The other information comprises the information include in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current financial year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

The engagement director on the audit resulting in this independent auditor's report is Meriana Ang Mei Ling.

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Singapore

29 December 2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 30 September 2017

	Note	Group 2017 $'000	Group 2016 $'000
Revenue	5(a)	19,324	16,850
Cost of sales		(11,255)	(9,975)
Gross profit		8,069	6,875
Other income	5(b)	1,343	1,274
Other losses – net	5(c)	(11,031)	(942)
Expenses			
- Selling and distribution		(2,073)	(1,860)
- Administrative		(9,345)	(6,909)
- Finance	9	(2,500)	(1,682)
Share of results of associated companies	17	1,879	1,779
Share of result of a joint venture company	18	(100)	(113)
Loss before income tax		(13,758)	(1,578)
Income tax expense	10(a)	(270)	(214)
Net loss		(14,028)	(1,792)
Other comprehensive (loss)/income, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
- Currency translation (loss)/gain arising from consolidation		(109)	243
- Share of other comprehensive (loss)/income of associated companies		(1,014)	899
		(1,123)	1,142
Items that will not be reclassified subsequently to profit or loss:			
- Revaluation gain on property, plant and equipment		148	–
- Share of other comprehensive income of associated companies		643	566
		791	566
Other comprehensive (loss)/income, net of tax		(332)	1,708
Total comprehensive loss		(14,360)	(84)
Net (loss)/profit attributable to:			
Equity holders of the Company		(12,672)	65
Non-controlling interests		(1,356)	(1,857)
		(14,028)	(1,792)
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company		(12,920)	1,597
Non-controlling interests		(1,440)	(1,681)
		(14,360)	(84)
(Loss)/earnings per share for (loss)/profit attributable to equity holders of the Company - basic and diluted (cents per share)	11	(6.03)	0.03

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 30 September 2017

	Note	Group		Company	
		2017 $'000	2016 $'000	2017 $'000	2016 $'000
ASSETS					
Current assets					
Cash and cash equivalents	12	3,278	7,524	66	165
Trade and other receivables	13	5,362	4,129	22,381	16,881
Inventories	14	4,621	4,151	–	–
Development properties	15	53,925	55,270	–	–
		67,186	71,074	22,447	17,046
Assets held-for-sale	6	9,707	660	7,702	660
		76,893	71,734	30,149	17,706
Non-current assets					
Other receivables	13	–	2,379	–	–
Club membership	16	9	9	–	–
Investments in associated companies	17	12,533	36,416	10,305	18,948
Investment in a joint-venture company	18	2,112	2,038	–	–
Investments in subsidiary corporations	19	–	–	12,959	12,959
Property, plant and equipment	20	19,958	20,695	–	–
Deferred income tax assets	21	83	7	–	–
Derivative financial instrument	25	3,213	3,579	–	–
		37,908	65,123	23,264	31,907
Total assets		114,801	136,857	53,413	49,613
LIABILITIES					
Current liabilities					
Trade and other payables	22	12,409	21,625	13,148	11,830
Provisions	23	392	319	–	–
Borrowings	24	13,906	9,853	–	–
Current income tax liabilities	10(b)	371	305	–	–
		27,078	32,102	13,148	11,830
Non-current liabilities					
Other payables	22	14,114	3,328	–	–
Provisions	23	161	165	–	–
Borrowings	24	12,393	25,847	–	–
		26,668	29,340	–	–
Total liabilities		53,746	61,442	13,148	11,830
NET ASSETS		61,055	75,415	40,265	37,783
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	26	32,315	32,315	32,315	32,315
Currency translation reserve		(11,136)	(10,097)	–	–
Revaluation reserve		12,282	13,393	–	–
Retained profits		25,849	36,619	7,950	5,468
		59,310	72,230	40,265	37,783
Non-controlling interests	19	1,745	3,185	–	–
Total equity		61,055	75,415	40,265	37,783

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 September 2017

	Attributable to equity holders of the Company						
	Share capital	Currency translation reserve [(a)]	Revaluation reserve [(a)]	Retained profits [(b)]	Total	Non-controlling interests	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2017							
Beginning of financial year	32,315	(10,097)	13,393	36,619	72,230	3,185	75,415
Total comprehensive (loss)/income for the financial year	–	(1,039)	791	(12,672)	(12,920)	(1,440)	(14,360)
Reclassification on disposal and transfer of investments in associated companies	–	–	(1,902)	1,902	–	–	–
End of financial year	32,315	(11,136)	12,282	25,849	59,310	1,745	61,055
2016							
Beginning of financial year	32,315	(11,063)	12,827	36,554	70,633	4,866	75,499
Total comprehensive income/(loss) for the financial year	–	966	566	65	1,597	(1,681)	(84)
End of financial year	32,315	(10,097)	13,393	36,619	72,230	3,185	75,415

(a) Currency translation reserve and revaluation reserve are non-distributable.

(b) Retained profits of the Group's associated company are not distributable. Retained profits of the Company amounting to $7,950,000 (2016: $5,468,000) are distributable.

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 30 September 2017

	Note	2017 $'000	2016 $'000
Cash flows from operating activities			
Net loss		(14,028)	(1,792)
Adjustments for:			
- Depreciation of property, plant and equipment		1,043	1,059
- Fair value (gain)/loss on derivative financial instrument		(366)	1,323
- Fair value loss on assets held-for-sale		5,818	–
- Fair value loss on investment properties		–	129
- Gain on amortisation of non-current payables		(2,221)	(36)
- Loss on partial disposal of investments in associated companies		486	–
- Impairment loss on investments in associated companies		7,487	–
- Income tax expense		270	214
- Interest expense		2,500	1,682
- Interest income		(35)	(38)
- (Gain)/loss on amortisation of non-current receivables		(107)	266
- Loss on disposal of property, plant and equipment		–	12
- Property, plant and equipment written-off		72	–
- Share of results of associated companies		(1,879)	(1,779)
- Share of result of a joint-venture company		100	113
- Unrealised currency translation loss/(gain)		938	(846)
		78	307
Change in working capital			
- Development properties		(51)	(299)
- Inventories		(470)	9
- Trade and other payables		(808)	(482)
- Trade and other receivables		1,519	353
Cash generated from/(used in) operations		268	(112)
Income tax paid		(280)	(283)
Net cash used in operating activities		(12)	(395)
Cash flows from investing activities			
Addition to investments in associated companies		–	(4,136)
Dividends received from associated companies		677	1,203
Interest received		35	38
Investment in a joint-venture company		(183)	(2,149)
Proceeds from partial disposal of investments in associated company		1,237	–
Proceeds from disposal of assets held-for-sale		363	–
Additions to property, plant and equipment		(220)	(282)
Net cash provided by/(used in) investing activities		1,909	(5,326)
Cash flows from financing activities			
Increase in bank deposits pledged		(191)	(57)
Interest paid		(1,563)	(2,041)
Increase in bills payable		894	1,467
Proceeds from related parties' borrowings		3,348	3,700
Repayment of bank borrowings		(9,321)	(2,973)
Repayment of finance lease liabilities		(20)	–
Net cash (used in)/provided by financing activities		(6,853)	96
Net decrease in cash and cash equivalents		(4,956)	(5,625)
Cash and cash equivalents at beginning of the financial year		6,722	12,295
Effects of currency translation on cash and cash equivalents		(112)	52
Cash and cash equivalents at end of the financial year	12	1,654	6,722

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 General

Casa Holdings Limited (the "Company") is listed on the Mainboard of Singapore Exchange Securities Trading Limited ("SGX-ST") and incorporated and domiciled in Singapore. The address of its registered office is 15 Kian Teck Crescent, Singapore 628884.

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiary corporations are set out in Note 19 to the financial statements.

The Company's immediate and ultimate holding corporation is Azzuri Holdings Pte Ltd, a company incorporated in Singapore.

2 Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("FRSs"), under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3. The consolidated financial statements are presented in Singapore dollar ("$") and all values are rounded to the nearest thousand ('000) except otherwise indicated.

Interpretation and amendments to published standards effective in 2017

On 1 October 2016, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisional in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Group's and Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2.2 Revenue recognition

Sales comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Sales are presented net of goods and services tax, rebates and discounts, and after eliminating sales within the Group.

2 Significant accounting policies (continued)

2.2 Revenue recognition (continued)

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) Sale of goods

Revenue from these sales are recognised when significant risks and rewards of ownership of the goods are transferred to the buyer and it is probable that the goods will not be returned.

(b) Rendering of service

Revenue from rendering of services are recognised on the performance of services.

(c) Interest income

Interest income are recognised using the effective interest method.

(d) Dividend income

Dividend income are recognised when the right to receive payment is established.

(e) Rental income

Rental income from operating leases are recognised on a straight-line basis over the lease term.

2.3 Group accounting

(a) Subsidiary corporations

(i) Consolidation

Subsidiary corporations are entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those return through its power over the entity. Subsidiary corporations are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the assets transferred. Accounting policies of subsidiary corporations have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary corporation's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and statement of financial position. Total comprehensive income is attributed to the non-controlling interest based on their respective interest in a subsidiary corporations, even if this results in the non-controlling interests having a deficit balance.

2 Significant accounting policies (continued)

2.3 Group accounting (continued)

(a) Subsidiary corporations (continued)

(ii) Acquisition

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary corporation comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary corporation measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to paragraph "Intangible assets – Goodwill" for the subsequent accounting policy on goodwill.

(iii) Disposal

When a change in the Group's ownership interest in a subsidiary corporation results in a loss of control over the subsidiary corporation, the assets and liabilities of the subsidiary corporation including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiary corporations, associated companies and joint-venture company" for the accounting policy on investments in subsidiary corporations in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary corporation that do not result in a loss of control over the subsidiary corporation are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interests and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

2 Significant accounting policies (continued)

2.3 Group accounting (continued)

(c) Associated companies and joint-venture company

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%.

Joint-venture company is an entity over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entity.

Investments in associated companies and joint-venture company are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

Investments in associated companies and joint-venture company are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies and joint-venture company represent the excess of the cost of acquisition of the associated company or joint-venture company over the Group's share of the fair value of the identifiable net assets of the associated company or joint-venture company and is included in the carrying amounts of the investments.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associated companies' or joint-venture company's post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associated companies or joint-venture company are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in an associated company or joint-venture company equals to or exceeds its interest in the associated company or joint-venture company, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company or joint-venture company. If the associated company or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associated companies and joint-venture company are eliminated to the extent of the Group's interest in the associated companies or joint-venture company. Unrealised losses are also eliminated unless the transaction provide evidence of impairment of the assets transferred. The accounting policies of associated companies or joint-venture company are changed when necessary to ensure consistency with the accounting policies adopted by the Group.

(d) Disposals

Investments in associated companies or joint-venture company are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associated company or joint-venture company is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiary corporations, associated companies and joint-venture company" for the accounting policy on investments in associated companies and joint-venture company in the separate financial statements of the Company.

2 Significant accounting policies (continued)

2.4 Property, plant and equipment

(a) Measurement

(i) Land and buildings

Land and buildings are initially recorded at cost. Leasehold land and buildings are subsequently carried at the revalued amount less accumulated depreciation and accumulated impairment losses.

Land and buildings are revalued by independent professional valuers on a triennial basis and whenever their carrying amounts are likely to differ materially from their revalued amounts. When an asset is revalued, the gross carrying amount is restated in a manner consistent with the revaluation of the carrying amount, and the accumulated depreciation is adjusted to equal the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

Increases in carrying amounts arising from revaluation, including currency translation differences, are recognised in other comprehensive income and accumulated in equity, unless they reverse a revaluation decrease of the same asset previously recognised in profit or loss. In this case, the increase are recognised in profit or loss. Decreases in carrying amounts are recognised in other comprehensive income to the extent of any credit balance existing in the equity in respect of that asset and reduces the amount accumulated in equity. All other decreases in carrying amounts are recognised in profit or loss.

(ii) Other property, plant and equipment

All other items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(iii) Component of costs

The cost of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing cost (refer to paragraph on "Borrowing costs").

(b) Depreciation

Assets under construction is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Leasehold land and buildings	40 – 46 years
Plant and machinery	10 years
Furniture, fittings and facilities	2 – 10 years
Motor vehicles	5 – 8 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

2 Significant accounting policies (continued)

2.4 Property, plant and equipment (continued)

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss. Any amount in revaluation reserve relating to that asset is transferred to retained earnings directly.

2.5 Club membership

Club membership is stated at cost less accumulated impairment losses.

2.6 Intangible assets

Goodwill on acquisition of subsidiary corporation on or after 1 January 2010 represents the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previously-held equity interest in the acquiree over the fair value of the identifiable net assets acquired.

Goodwill on acquisition of subsidiary corporation and businesses prior to 1 January 2010 and on acquisition of associated companies represents the excess of the cost of the acquisition over the fair value of the Group's share of fair value of the identifiable net assets acquired.

Goodwill on subsidiary corporation is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on acquisitions of associated companies and joint-venture company represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on associated companies and joint-venture company is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiary corporations, associated companies and joint-venture company include the carrying amount of goodwill relating to the entity sold.

2.7 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the property under development. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

2 Significant accounting policies (continued)

2.8 Investment properties

Investment properties include those portions of residential units that are held for long-term rental yields and/or for capital appreciation.

Investment properties are initially recognised at cost and subsequently carried at fair value, determined annually by independent professional valuers on the highest and best use basis. Changes in fair values are recognised in profit or loss.

The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

2.9 Investments in subsidiary corporations, associated companies and joint-venture company

Investments in subsidiary corporations, associated companies and joint-venture company are carried at cost less accumulated impairment losses, in the Company's statement of financial position. On disposal of such investments in subsidiary corporations, associated companies and joint-venture company, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.10 Impairment of non-financial assets

(a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) Property, plant and equipment
Club membership
Investments in subsidiary corporations, associated companies and joint-venture company

Property, plant and equipment, club membership and investments in subsidiary corporations, associated companies and joint-venture company are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

2 Significant accounting policies (continued)

2.10 Impairment of non-financial assets (continued)

(b) Property, plant and equipment
Club membership
Investments in subsidiary corporations, associated companies and joint-venture company (continued)

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease. Please refer to the paragraph "Property, plant and equipment" for the treatment of a revaluation decrease.

An impairment loss for an asset other than goodwill is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in profit or loss.

2.11 Financial assets

(a) Classification

The Group classifies its financial assets in the category of loans and receivables. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the reporting date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" and "cash and cash equivalents" on the statement of financial position.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

(c) Measurement

Loan and receivables are initially recognised at fair value plus transaction costs and are subsequently carried at amortised cost using the effective interest method.

2 Significant accounting policies (continued)

2.11 Financial assets (continued)

(d) Impairment

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost, had no impairment been recognised in prior periods.

2.12 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.13 Financial guarantees

The Company has issued corporate guarantees to banks for borrowings of its subsidiary corporations. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiary corporations fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantees are initially recognised at their fair values plus transaction costs in the Company’s statement of financial position.

Financial guarantees are subsequently amortised to profit or loss over the period of the subsidiary corporations’ borrowings, unless it is probable that the Company will reimburse the bank for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the bank in the Company’s statement of financial position.

Intra-group transactions are eliminated on consolidation.

2.14 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after that reporting date. Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2 Significant accounting policies (continued)

2.15 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.16 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the reporting date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analyses, are also used to determine the fair values of the financial instruments.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.17 Leases

(a) When the Group is the lessee

The Group leases certain property, plant and equipment under operating leases from non-related parties.

Finance leases

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the statement of financial position as property, plant and equipment and borrowings respectively, at the inception of the leased based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expenses and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

Operating leases

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

2 Significant accounting policies (continued)

2.17 Leases (continued)

(b) When the Group is the lessor

The Group leases certain property, plant and equipment under operating leases to related parties.

Operating leases

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of incentive given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating lease are added to the carrying amount of the leased asset and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

2.18 Inventories

Inventories which comprise electrical and electronic home appliances are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all cost in bringing the inventories to their present location and condition but excludes borrowing cost. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

2.19 Development properties

Development properties are those properties which are held with the intention for development and sale in the ordinary course of business. They are stated at the lower of cost and the estimated net realisable value. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

The cost of properties under development comprise specifically identified costs, including cost of land, development expenditure, borrowing costs and other related expenditure. Borrowing costs payable on loans funding a development property are also capitalised, on a specific identification basis as part of the cost of the development property until the completion of development. The cumulative impact of a revision in estimates is recorded in the period such revisions become likely and estimable. When it is probable that cost of development property will exceed sale proceed of the development property, the expected loss is recognised as an expense immediately. The development properties in progress have operating cycles longer than one year.

Sales of development properties under construction in respect of sale and purchase agreements entered into prior to completion of construction are recognised when the properties are delivered to the buyer, except in cases where the control and risk and rewards of the property are transferred to the buyers as construction progresses.

2.20 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

2 Significant accounting policies (continued)

2.20 Income taxes (continued)

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiary corporations, associated companies and joint-venture, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(a) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date; and

(b) based on the tax consequence that will follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities, except for investment properties. Investment properties measured at fair value is presumed to be recovered entirely through sales.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that is probable that future taxable profit will be available against which the unused tax credit can be utilised.

2.21 Provisions

Provisions for warranty and demolition costs are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

The Group recognises the estimated liability to repair or replace products still under warranty at the reporting date. This provision is calculated based on historical experience of the level of repairs and replacements.

2.22 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

2 Significant accounting policies (continued)

2.23 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollar, which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any borrowings forming part of the net investment of the foreign operation are repaid, a proportionate share of the accumulated translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in profit or loss within "finance cost". All other foreign exchange gains and losses impacting profit or loss are presented in the profit or loss within "other gains/losses – net".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case, income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting currency translation differences are recognised in the other comprehensive income and accumulated in the currency translation reserve. These currency translation difference are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustment arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at reporting date.

2.24 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

2 Significant accounting policies (continued)

2.25 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value and bank overdrafts. Bank overdrafts are presented as current borrowings on the statement of financial position. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.26 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.27 Derivative financial instrument

(a) Cross currency interest rate swap

Cross currency interest rate swap is transacted to hedge the Group's exposure on foreign currency borrowing. The fair value changes on the cross currency interest rate swap is recognised immediately in profit or loss.

Derivative financial instrument that does not meet the criteria for hedge accounting are classified as financial assets or financial liabilities at fair value through profit or loss. When the fair value is positive, the derivative is recognised as a financial asset, when the fair value is negative, the derivative is recognised as a financial liability.

(b) Financial assets and liabilities at fair value through profit or loss

Financial instruments classified as financial assets or financial liabilities through profit or loss ("FVTPL") include financial assets or financial liabilities held for trading and those designated as at FVTPL on initial recognition. The Group recognises a financial asset or a financial liability when the Group becomes a party to a contractual provision of the financial instrument. A financial asset is derecognised when the Group losses control of its contractual rights over the financial asset. A financial liability is derecognised when the obligation specified in the relevant contract is discharged, cancelled or expired.

Financial instruments at FVTPL are initially measured at fair value. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised as expenses as incurred. Financial assets or financial liabilities at FVTPL are remeasured at fair value subsequently with changes in fair value recognised in profit or loss. On derecognition of a financial asset or financial liability, the difference between its carrying amount and the sum of the consideration received and receivable or consideration paid and payable is recognised in profit or loss.

2.28 Non-current assets (or disposal groups) held-for-sale

Non-current assets (or disposal groups) are classified as assets held-for-sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense.

Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

3 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Impairment of loans and receivables

Management reviews its loans and receivables for objective evidence of impairment at least quarterly. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, management makes judgements as to whether an impairment loss should be recorded as an expense. In determining this, management uses estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experienced. The carrying amounts of the Group's and the Company's loans and receivables as at 30 September 2017 are approximately $8,536,000 and $22,421,000 (2016: $13,892,000 and $17,020,000) respectively.

If the net present values of estimated cash flows increase/decrease by 10% from management's estimates for all past due loans and receivables, the Group's allowance for impairment will decrease/increase by approximately $19,000/$62,000 (2016: $15,000/$21,000).

(b) Uncertain tax positions

The Group is subject to income taxes in numerous jurisdictions. In determining the income tax liabilities, management is required to estimate the amount of capital allowances and the deductibility of certain expenses ("uncertain tax positions") at each tax jurisdiction.

The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred income tax provisions in the financial period in which such determination is made. The carrying amounts of income tax and deferred income tax are disclosed in Note 10 and Note 21 respectively.

(c) Consolidation of structured entities

Judgement is required to determine when the Group establishes control over an investee. The Group has made an assessment of the relevant activities of the investee and whether the decisions in relation to those activities require unanimous consent and controls in an investee under a contractual arrangement if the investor has all the following criteria are met:

1. power over the investee;

2. exposure, or rights, to variable returns from involvement with the investee; and

3. the ability to use its power over the investee to affect the amount of the investor's returns.

The Group's subsidiary corporations, Casa Property Development Sdn. Bhd., Fantastic Modern Sdn. Bhd. and Genius Chamber Sdn. Bhd. are regarded as subsidiary corporations as its other shareholders have undertaken to follow instructions from the Group to vote in concert with the Group and majority of the Board of Directors are representatives from the Company. Details of the Company's investments in subsidiary corporations and carrying amounts are disclosed in Note 19.

4 Going concern

The following circumstances give rise to material uncertainties as to the appropriateness of the use of the going concern assumption in the preparation of the accompanying financial statements of the Group for the financial year ended 30 September 2017:

(a) The Group incurred a net loss of approximately $14,028,000 (2016: $1,792,000) and net cash used in operating activities of approximately $12,000 (2016: $395,000) for the financial year ended 30 September 2017.

(b) As at 30 September 2017, the Group has current liabilities including bank borrowings of approximately $13,254,000 (2016: $9,840,000) which are contractually due for repayment within twelve months from the end of financial year. As at 30 September 2017, the Group's unrestricted cash and cash equivalent amount of approximately $2,285,000 (2016: $6,722,000) may be insufficient to fulfil these obligations at the relevant repayments dates.

These conditions indicate the existence of material uncertainties which may cast significant doubts as to the ability of the Group to continue as a going concern and to realise their assets and discharge their liabilities in the ordinary course of business. Nevertheless, the Board of Directors of the Company believes that the use of the going concern assumption in the preparation of the consolidated financial statements of the Group for the financial year ended 30 September 2017 is appropriate after taking into consideration the following assumptions and measures:

(i) During the financial year ended 30 September 2017, the Company committed a plan to dispose 58,000,000 ordinary shares of the issued and paid-up share capital of Fiamma within the next twelve months from the end of financial year to raise funds mainly for the repayment of the Group's current bank borrowings.

Subsequently, the Company announced that:

– On 29 November 2017, the Company disposed 13,600,000 ordinary shares in Fiamma to a related party for a total consideration of approximately RM7,480,000 (approximately $2,407,000);

– On 5 December 2017, the Company entered into two conditional sale and purchase agreements with a related party and a non-related party to dispose 16,400,000 and 28,000,000 ordinary shares in Fiamma respectively for a total consideration of approximately RM24,420,000 (approximately $7,858,000).

(ii) As at 30 September 2017, the Group is in a net current asset position of $49,815,000 which is considered sufficient to meet the Group's current liabilities for the next twelve months. In addition, one of the Company's directors has provided an undertaking not to recall for payment of current liabilities due to him of approximately $4,988,000 unless the Group has the financial liability to do so.

(iii) The Group's main operating segment, i.e. trading of home appliances has been generating positive results for the past few financial years and there is no history of default in payment to suppliers and financial institutions by the Group with regards to the Group's liabilities for its main operating segment. In addition, the Group has entered into a new distributorship during the financial year ended 30 September 2017 and has been able to generate higher revenue and results for the financial year then ended. Therefore, the Group expects this business segment to be able to generate sufficient cash flows to meet its own liabilities as and when required.

After considering the measures taken described above, the Group believes that they have adequate resources to continue their operations as a going concern. For these reasons, the Group continue to adopt the going concern assumption in the preparation of the financial statements.

4 Going concern (continued)

The financial statements did not include any adjustments that may result in the event that the Group is unable to continue as going concern. In the event that the Group is unable to continue as a going concern, adjustments may have to be made to reflect the situation that assets may need to realise other than in the amounts at which they are currently recorded in the statement of financial position. In addition, the Group may have to provide for further liabilities that might arise and to reclassify non-current assets as current assets.

5 Revenue, other income and other losses - net

		Group	
		2017	**2016**
		$'000	**$'000**
(a)	Revenue		
	Sale of goods	19,324	16,850
(b)	Other income		
	Service income	814	762
	Rental income on operating lease	482	469
	Interest income from bank deposits	35	38
	Others	12	5
		1,343	1,274
(c)	Other losses - net		
	Fair value gain/(loss) on derivative financial instrument	366	(1,323)
	Fair value loss on assets held-for-sale (Note 6)	(5,818)	–
	Fair value loss on investment properties	–	(129)
	Currency translation gain – net	66	740
	Impairment loss on investments in associated companies (Note 17)	(7,487)	–
	Loss on partial disposal of investments in associated companies	(486)	–
	Gain on amortisation of non-current payables	2,221	36
	Gain/(loss) on amortisation of non-current receivables	107	(266)
		(11,031)	(942)

6 Assets held-for-sale

	Group		Company	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Beginning of financial year	660	–	660	–
Transfer from investment properties	–	660	–	660
Transfer from investments in associated companies (Note 17)	15,505	–	7,702	–
Fair value loss recognised in profit or loss (Note 5)	(5,818)	–	(20)	–
Disposal	(640)	–	(640)	–
	9,707	660	7,702	660

During the financial year ended 30 September 2017, the Company committed a plan to dispose 58,000,000 ordinary shares of the issued and paid-up share capital of its associated company, Fiamma.

Subsequently, the Company announced the following:

– On 29 November 2017, the Company disposed 13,600,000 ordinary shares in Fiamma to a related party for a total consideration of approximately RM7,480,000 (approximately $2,407,000);

– On 5 December 2017, the Company entered into two conditional sale and purchase agreements with a related party and a non-related party to dispose 16,400,000 and 28,000,000 ordinary shares in Fiamma respectively for a total consideration of approximately RM24,420,000 (approximately $7,858,000).

In accordance with *FRS 105 Non-Current Assets Held for Sale and Discontinued Operations*, the carrying value of assets held-for-sale was written down to their fair value less costs to sell of $9,707,000 being the price quoted in an active market, therefore within Level 1 of the fair value hierarchy. Difference between carrying amount and fair value is recognised to profit or loss as fair value adjustment.

In the previous financial year, the Group reclassified its investment properties with carrying amount of $660,000 as assets held-for-sale. The Group had entered into agreement with a non-related party to dispose one of these investment properties (A3-32-2 SOHO Suite @ KLCC) for a consideration of approximately $363,000. The disposal had been completed on 8 November 2016.

On 28 August 2017, the Group disposed the other investment property (A3-32-1 SOHO Suite @ KLCC) classified as assets held-for-sale for consideration of approximately $277,000 which has not been received and included in trade and other receivables (Note 13). The carrying value of assets held-for sale was written down to their fair value less costs to sell of $640,000. This was a non-recurring fair value which had been measured using observable inputs, being the price stated in the sales and purchase agreement signed during the last financial year, therefore within Level 2 of the fair value hierarchy.

7 Expenses by nature

	Group	
	2017	**2016**
	$'000	**$'000**
Advertising and promotion	283	496
Allowance for impairment of trade receivables – non-related parties (Note 30(b))	70	59
Commission	464	394
Depreciation of property, plant and equipment (Note 20)	1,043	1,059
Directors' remuneration	498	698
Employee compensation (Note 8)	3,517	3,530
Fees on audit services paid/payable to:		
- auditors of the Company	93	84
- other auditors	17	17
Fees on non-audit services paid/payable to:		
- auditors of the Company	17	16
Freight charges	359	283
Loss on disposal of property, plant and equipment	–	12
Impairment loss on non-trade receivables – associated companies (Note 30(b))	2,479	–
Installation and delivery charges	620	443
Inventories:		
- cost of inventories recognised as an expense (included in cost of sales)	10,886	9,680
- inventories written-down	200	–
Legal and professional fees	53	95
Office expense	336	329
Property, plant and equipment written-off	72	–
Property tax	114	122
Provision for warranty (Note 23)	513	–
Rental expense on operating leases	209	169
Repair and maintenance	102	92
Reversal of allowance for impairment of trade receivables – non-related parties (Note 30(b))	(23)	(100)
Utilities	110	121
Other expenses	641	1,145
Total cost of sales, selling and distribution and administrative expenses	22,673	18,744

8 Employee compensation

	Group	
	2017	**2016**
	$'000	**$'000**
Wages and salaries	2,984	3,069
Employer's contribution to defined contribution plans including Central Provident Fund ("CPF")	533	461
	3,517	3,530

9 Finance expenses

	Group	
	2017	2016
	$'000	$'000
Interest expense		
- Bank borrowings	1,545	2,041
- Amortised interest on non-current payables	937	190
- Finance lease liabilities	18	2
	2,500	2,233
Less: Borrowings costs capitalised in development properties	–	(551)
Finance expenses recognised in profit or loss	2,500	1,682

Borrowings costs with an effective interest rate of 5.16% - 6.03% per annum were capitalised in prior financial year.

10 Income taxes

(a) Income tax expense

	Group	
	2017	2016
	$'000	$'000
Tax expense attributable to profit is made up of:		
- Profit from current financial year		
- Current income tax – Singapore	418	273
- Deferred income tax (Note 21)	(76)	39
	342	312
- Over-provision of income tax in prior financial years	(72)	(98)
	270	214

The tax on the Group's results before income tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2017	2016
	$'000	$'000
Loss before income tax	(13,758)	(1,578)
Share of results of associated companies (Note 17)	(1,879)	(1,779)
Share of result of a joint venture company (Note 18)	100	113
Loss before income tax and share of results of associated companies and a joint venture company	(15,537)	(3,244)
Tax calculated at tax rate of 17% (2016: 17%)	(2,641)	(551)
Effects of:		
- different tax rates in other country	(225)	(256)
- expenses not deductible for tax purposes	4,009	602
- income not subject to tax	(1,156)	(138)
- deferred income tax assets not recognised	355	655
Tax charge	342	312

10 Income taxes (continued)

(b) Movements in current income tax liabilities

	Group	
	2017	2016
	$'000	$'000
Beginning of financial year	305	413
Income tax paid	(280)	(283)
Tax expense for current financial year	418	273
Over-provision in relation to prior financial years	(72)	(98)
End of financial year	371	305

(c) There is no tax charge relating to the components of other comprehensive income.

11 (Loss)/earnings per share

Basic (loss)/earnings per share is calculated by dividing the net (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	2017	2016
Net (loss)/profit attributable to equity holders of the Company ($'000)	(12,672)	65
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	209,826	209,826
Basic (loss)/earnings per share (cents per share)	(6.03)	0.03

There are no dilutive potential ordinary shares during the financial years ended 30 September 2017 and 2016.

12 Cash and cash equivalents

	Group		Company	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Cash at bank and on hand	2,285	6,722	66	165
Short-term bank deposits	993	802	–	-
	3,278	7,524	66	165

12 Cash and cash equivalents (continued)

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group	
	2017	2016
	$'000	$'000
Cash and cash equivalents (as above)	3,278	7,524
Less: Bank deposits pledged	(993)	(802)
Less: Bank overdrafts	(631)	–
Cash and cash equivalents per consolidated statement of cash flows	1,654	6,722

Bank deposits amounting to $993,000 (2016: $802,000) were pledged to the bank to secure credit facilities of the subsidiary corporations (Note 24).

13 Trade and other receivables

	Group		Company	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Current				
Trade receivables – non-related parties	4,213	3,185	–	–
Less: Allowance for impairment of receivables (Note 30(b))	(193)	(152)	–	–
	4,020	3,033	–	–
Non-trade receivables:				
- Non-related parties	1,048	751	295	11
- Related parties	22	29	–	–
- Subsidiary corporations	–	–	22,003	16,787
	1,070	780	22,298	16,798
Prepayments	104	140	26	26
Refundable deposits	168	176	57	57
	5,362	4,129	22,381	16,881
Non-current				
Non trade receivable – an associated company	2,479	2,379	–	–
Less: Allowance for impairment of receivables (Note 30(b))	(2,479)	–	–	–
	–	2,379	–	–
	5,362	6,508	22,381	16,881

The non-trade receivable from an associated company is unsecured, bears an interest of 2.0% per annum and shall be repaid in full in 5 years from 2018. During the financial year ended 30 September 2017, the Group recognised a full allowance for impairment loss on non-trade receivable from an associated company as management is of the view that there is a possibility that the non-trade receivable from an associated company may not be recoverable.

The fair value of non-current non-trade receivables from an associated company, which is computed based on cash flows discounted at market borrowing rate of 4.5% (2016: 4.5%), approximates its carrying amount. The fair value is within Level 2 of fair value hierarchy.

14 Inventories

	Group	
	2017	2016
	$'000	$'000
Finished goods	4,621	4,151

The cost of inventories recognised as an expense and included in "cost of sales" amounting to approximately $10,886,000 (2016: $9,680,000).

During the financial year ended 30 September 2017, the Group recognised a write-down in inventories of approximately $200,000 (2016: a reversal of inventory written-down of $52,000).

15 Development properties

	Group	
	2017	2016
	$'000	$'000
Cost of land	48,154	49,397
Development cost	4,100	4,235
Interest capitalised	1,671	1,714
Transfer to property, plant and equipment (Note 20)	–	(76)
	53,925	55,270

(a) As at 30 September 2017, development properties with a carrying value of $53,925,000 (2016: $55,270,000) are mortgaged to banks for credit facilities granted to the subsidiary corporations (Note 24).

(b) Details of the development properties of the Group at 30 September 2017 are as follows:

Description and location	Purpose	Tenure	Site area sqm	Stage of completion	Group's effective interest
Teluk Jawa, Mukim of Plentong, Johor, Malaysia	Residential and commercial	Freehold	53,671	–	34.3%
Title GM339 Lot 5, Mukim of Plentong, Johor, Malaysia	Residential and commercial	Freehold	18,590	–	34.3%
Title GM340 Lot 6, Mukim of Plentong, Johor, Malaysia	Residential and commercial	Freehold	16,971	–	34.3%

As at 30 September 2017, the Group had allocated 13,000 sqm of the land area at Teluk Jawa, Mukim of Plentong, Johor, Malaysia for its Seventh Cove residential project. The project is currently at early stage of development as the Group has been adjusting the progress of the development in accordance to market situation.

The Group is in the process of converting the land under Titles GM 339 Lot 5 and GM 340 Lot 6, located at Mukim of Plentong, Johor, Malaysia into residential and commercial zoning.

16 Club membership

	Group	
	2017	**2016**
	$'000	**$'000**
At cost	41	41
Less: Allowance for impairment	(32)	(32)
	9	9

There is no movement in allowance for impairment of club membership.

17 Investments in associated companies

	Company	
	2017	**2016**
	$'000	**$'000**
Investment in equity shares, at cost		
Beginning of financial year	18,948	14,812
(Disposal)/addition	(941)	4,136
Transfer to assets held-for-sale (Note 6)	(7,702)	–
End of financial year	10,305	18,948

	Group	
	2017	**2016**
	$'000	**$'000**
Beginning of financial year	36,416	30,239
(Disposal)/addition	(1,722)	4,136
Share of results of associated companies	1,879	1,779
Dividends received	(677)	(1,203)
Share of other comprehensive (loss)/income	(371)	1,465
Transfer to assets held-for-sale (Note 6)	(15,505)	–
Impairment loss (Note 5(c))	(7,487)	–
End of financial year	12,533	36,416

17 Investments in associated companies (continued)

The associated companies as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group, the country of incorporation is also their principal place of business.

Name of entity	Place of business/ country of incorporation	% of ownership interest	
		2017	**2016**
Fiamma Holdings Berhad	Malaysia	26.12	26.86
Asteras Holdings Pte Ltd	Singapore	20.00	20.00

Fiamma Holdings Berhad ("Fiamma") is an investment holding company with subsidiary corporations operating in Malaysia. The auditor of Fiamma Holdings Berhad is KPMG Malaysia.

During the financial year ended 30 September 2017, the Company committed a plan to dispose 58,000,000 ordinary shares of the issued and paid-up share capital of Fiamma, accordingly management has assessed that the proposed disposal shall be classified and presented as assets held-for-sale in accordance with *FRS 105 Non-Current Assets Held for Sale and Discontinued Operations* as described in Note 6.

Subsequent to the proposed disposal, the Company will hold 74,889,900 ordinary shares (representing approximately 14.72%) of the issued and paid-up share capital of Fiamma and it will continue to have representative on the board of Fiamma. Accordingly, the Company will be able to exercise significant influence over Fiamma and continue to account for its interest in Fiamma as associated company.

As at 30 September 2017, the fair value of the Group's interest in Fiamma, which is listed in the Bursa Malaysia, was $12,533,000 (2016: $26,805,000). The fair value measurement is classified within Level 1 of the fair value hierarchy. The carrying amount of the Group's interest was $12,533,000 (2016: $36,367,000).

In view of the low fair value as compared to the carrying amount of the Group's investment in Fiamma and as the Group has recognised loss from partial disposal of its interest in Fiamma, management has performed an impairment assessment of its remaining interest in Fiamma based on fair value less costs to sell and recognised an impairment loss of $7,487,000 (2016: Nil) (Note 5(c)).

There are no contingent liabilities relating to the Group's interest in the associated companies.

The Group has not recognised its share of loss for the financial year ended 30 September 2017 of approximately $130,000 (2016: Nil) relating to Asteras Holdings Pte Ltd ("Asteras") as the Group has no contractual obligation to share loss in excess of its cost of investment. The Group's share of unrecognised loss with respect to Asteras was approximately $130,000 (2016: Nil) at the reporting date.

Summarised financial information for associated company

Set out below are the summarised financial information for Fiamma Holdings Berhad which are derived based on the unaudited financial statements. The information below reflects the amounts presented in the financial statements of the associated company (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and the associated company, if any.

17 Investments in associated companies (continued)

Summarised statement of financial position

	2017 $'000	2016 $'000
Current assets	166,272	165,729
Includes:		
- Cash and cash equivalents	25,406	28,936
Current liabilities	47,848	43,709
Includes:		
- Financial liabilities (excluding trade payables)	26,774	21,838
Non-current assets	67,468	66,383
Non-current liabilities	35,603	39,528
Includes:		
- Financial liabilities	31,391	33,617
- Other liabilities	4,212	5,911
Net assets	150,289	148,875
Analysed as:		
- Net assets attributable to equity holders of Fiamma Holdings Berhad	143,512	141,902
- Net assets attributable to non-controlling interests	6,777	6,973

Summarised statement of comprehensive income

	2017 $'000	2016 $'000
Revenue	101,266	95,117
Interest income	577	889
Expenses	(90,977)	(84,566)
Includes:		
- Depreciation and amortisation	(1,659)	(1,484)
- Interest expense	(1,494)	(1,819)
Profit before income tax	10,866	11,440
Income tax expense	(3,104)	(2,968)
Net profit	7,762	8,472
Other comprehensive income	2,555	2,400
Total comprehensive income	10,317	10,872
Total comprehensive income attributable to equity holders of Fiamma Holdings Berhad	9,744	10,213
Total comprehensive income attributable to non-controlling interests	573	659
Dividends received from associated company	677	1,203

17 Investments in associated companies (continued)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented, to the carrying amount of the Group's interest in associated companies, is as follows:

	2017 $'000	2016 $'000
Net assets attributable to equity holders		
At 1 October	141,902	118,700
Profit for the financial year	7,222	7,781
Other comprehensive income	2,522	2,432
Other equity transaction	(4,581)	9,679
Currency translation differences	(3,553)	3,310
At 30 September	143,512	141,902
Interest in an associated company (2017: 26.12%, 2016: 26.86%)	37,485	38,115
Classified as assets held-for-sale (Note 6)	(15,505)	–
Less: Impairment loss (Note 5(c))	(7,487)	–
Less: Bargain purchase	(1,960)	(1,748)
Carrying value of Fiamma Holdings Berhad	12,533	36,367
Add: carrying value of individually immaterial associated company	–	49
Carrying value of the Group's interest in associated companies	12,533	36,416

18 Investment in a joint-venture company

	Group	
	2017 $'000	2016 $'000
Beginning of financial year	2,038	–
Addition	183	2,149
Share of result of a joint-venture company	(100)	(113)
Currency translation differences	(9)	2
End of financial year	2,112	2,038

The joint-venture company as listed below has share capital consisting solely of ordinary shares, which are held directly by the Group, the country of incorporation is also its principal place of business.

Name of entity	Principal activities	Place of business/ country of Incorporation	% of equity interest 2017	% of equity interest 2016
VMD Development Sdn. Bhd. [(a)]	Industrial property development	Malaysia	50.00	50.00

(a) Audited by Chan & Co Chartered Accountant, Malaysia.

The Group holds 49% of the voting rights and 1% held in trust by a Malaysian citizen. VMD Development Sdn. Bhd. is structured as a private limited company. The Group has joint control over these arrangements as the contractual agreement requires unanimous consent from all parties and provides all parties of the agreement with rights to the net assets of VMD Development Sdn. Bhd. under the arrangement. Therefore, the arrangement is classified as a joint venture, which is accounted for using the equity method in the financial statements of the Group.

There are no contingent liabilities relating to the Group's interest in the joint-venture company.

18 Investment in a joint-venture company (continued)

Summarised financial information for the joint-venture company

Set out below are the summarised financial information for VMD Development Sdn. Bhd.. The information below reflects the amounts presented in the financial statements of the joint-venture company (and not the Group's share of those amounts) adjusted for differences in accounting policies between the Group and the joint-venture company, if any.

Summarised statement of financial position

	2017 $'000	2016 $'000
Current assets	6,741	7,016
Includes:		
- Cash and cash equivalents	363	475
Current liabilities	4,693	4,555
Includes: - Financial liabilities (excluding trade payables)	4,693	4,555
Non-current assets	–	–
Non-current liabilities	2,480	2,683
Includes:		
- Financial liabilities	2,480	2,683
Net liabilities	(432)	(222)

Summarised statement of comprehensive income

	2017 $'000	2016 $'000
Revenue	–	–
Interest income	–	–
Expenses	(200)	(226)
Includes:		
- Depreciation and amortisation	–	–
- Interest expense	(180)	(186)
Loss before income tax	(200)	(226)
Income tax expense	–	–
Net loss	(200)	(226)

18 Investment in a joint-venture company (continued)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented, to the carrying amount of the Group's interest in a joint-venture company, is as follows:

	2017 $'000	2016 $'000
Net assets		
At 1 October	(222)	–
Loss for the financial year	(200)	(226)
Currency translation differences	(18)	4
At 30 September	(440)	(222)
Interest in a joint-venture company (2017 and 2016: 50%)	(220)	(111)
Loan to joint-venture company classified as cost of investment	2,332	2,149
Carrying value of VMD Development Sdn. Bhd.	2,112	2,038

19 Investments in subsidiary corporations

	Company	
	2017 $'000	2016 $'000
Equity investments, at cost	12,402	12,402
Non-current advances	1,157	1,157
	13,559	13,559
Less: Allowance for impairment	(600)	(600)
	12,959	12,959

Details of the subsidiary corporations are as follows:

Name of subsidiary corporations	Principal activities	Country of incorporation	Equity interest held by the Group		Equity interest held by non-controlling interests	
			2017 %	2016 %	2017 %	2016 %
Held by the Company						
Casa (S) Pte. Ltd. (1)	Distributor of electrical and electronic home appliances	Singapore	100	100	–	–
Casa International Pte Ltd (1)	Dormant	Singapore	100	100	–	–
Asteras Pte Ltd (1)	Dormant	Singapore	100	100	–	–

19 Investments in subsidiary corporations (continued)

Name of subsidiary corporations	Principal activities	Country of incorporation	Equity interest held by the Group		Equity interest held by non-controlling interests	
			2017	2016	2017	2016
			%	%	%	%
Held by the Company						
Casa Global Pte. Ltd. (1)	Investment holding	Singapore	100	100	–	–
Casa Poly Builder Sdn. Bhd.(2)	Property holding	Malaysia	55	55	45	45
Casa Property Holdings Pte. Ltd. (1)	Investment holding	Singapore	100	100	–	–
Held by Casa Property Holdings Pte. Ltd.						
Casa Property Development Sdn. Bhd. (2)(4)	Property development	Malaysia	34.3	34.3	65.7	65.7
Fantastic Modern Sdn. Bhd. (2)(4)	Property development	Malaysia	34.3	34.3	65.7	65.7
Genius Chamber Sdn. Bhd. (2)(4)	Property development	Malaysia	34.3	34.3	65.7	65.7
Held by Casa Property Development Sdn. Bhd.						
UAC Development & Construction Sdn. Bhd. (3)(4)	Construction	Malaysia	34.3	34.3	65.7	65.7
Held by Casa Global Pte. Ltd.						
Uno Casa S.A.R.L (5)	Dormant	Morocco	100	100	–	–

(1) Audited by Nexia TS Public Accounting Corporation, Singapore.

(2) Audited by ASQ PLT Chartered Accountant, Malaysia for local statutory purpose. Audited by Nexia TS Public Accounting Corporation, Singapore for consolidation purpose.

(3) Audited by Chan & Co Chartered Accountant, Malaysia.

(4) These subsidiary corporations are regarded as subsidiary corporations of the Group within the definition of *FRS 110 – "Consolidated and Separate Financial Statements"*.

(5) Not required to be audited under the laws of the country of incorporation and has no significant impact to the financial statements of the Group.

Carrying value of non-controlling interests

	Company	
	2017	2016
	$'000	$'000
Casa Property Development Sdn. Bhd.	2,118	3,297
Fantastic Modern Sdn. Bhd.	(196)	(72)
Genius Chamber Sdn. Bhd.	(83)	19
Subsidiary corporations with immaterial non-controlling interests	(94)	(59)
Total	1,745	3,185

19 Investments in subsidiary corporations (continued)

	Casa Property Development Sdn. Bhd.		Fantastic Modern Sdn. Bhd.		Genius Chamber Sdn. Bhd.	
	2017	2016	2017	2016	2017	2016
	$'000	$'000	$'000	$'000	$'000	$'000
Summarised statement of financial position						
Current						
Assets	46,749	49,939	5,604	5,845	4,524	4,685
Liabilities	(26,569)	(30,582)	(2,753)	(3,314)	(2,174)	(2,539)
Total current assets	20,180	19,357	2,851	2,531	2,350	2,146
Non-current						
Assets	5,058	5,768	–	–	–	–
Liabilities	(22,014)	(20,107)	(3,150)	(2,640)	(2,477)	(2,117)
Total non-current liabilities	(16,956)	(14,339)	(3,150)	(2,640)	(2,477)	(2,117)
Net assets/(liabilities)	3,224	5,018	(299)	(109)	(127)	29
Summarised statements of comprehensive income						
Revenue	–	–	–	–	–	–
Loss before income tax	(1,662)	(2,356)	(192)	(224)	(155)	(181)
Income tax expenses	–	–	–	–	–	–
Net loss	(1,662)	(2,356)	(192)	(224)	(155)	(181)
Net loss allocated to non-controlling interests	(1,092)	(1,548)	(126)	(147)	(102)	(119)
Summarised statements of cash flow						
Cash flow from operating activities						
Cash used in operations	(157)	(1,969)	(17)	(3)	(15)	(2)
Interest paid	(1,149)	(1,530)	(185)	(216)	(148)	(173)
Income tax paid	–	–	–	–	–	–
Net cash used in operating activities	(1,306)	(3,499)	(202)	(219)	(163)	(175)
Net cash provided by/(used in) investing activities	168	(95)	–	–	–	–
Net cash (used in)/provided by financing activities	(147)	6,036	99	366	112	255
Net (decrease)/increase in cash and cash equivalent	(1,285)	2,442	(103)	147	(51)	80
Cash and cash equivalent at beginning of financial year	3,032	590	319	172	235	155
Cash and cash equivalent at end of financial year	1,747	3,032	216	319	184	235

20 Property, plant and equipment

Group	Leasehold land and buildings	Plant and machinery	Furniture, fittings and facilities	Motor vehicles	Assets under construction	Total
	$'000	$'000	$'000	$'000	$'000	$'000
2017						
Cost or valuation						
Beginning of financial year - cost or valuation	22,002	160	3,193	923	2,794	29,072
Additions	–	–	110	85	66	261
Write-off	(13)	–	(59)	(124)	–	(196)
Revaluation surplus	148	–	–	–	–	148
Currency translation differences	38	(1)	(3)	–	(70)	(36)
End of financial year	22,175	159	3,241	884	2,790	29,249
Represented by :						
Cost	–	159	3,241	884	2,790	7,074
Valuation	22,175	–	–	–	–	22,175
	22,175	159	3,241	884	2,790	29,249
Accumulated depreciation						
Beginning of financial year	4,725	123	2,843	686	–	8,377
Depreciation charge (Note 7)	840	5	116	82	–	1,043
Write-off	(4)	–	(34)	(86)	–	(124)
Currency translation differences	(7)	–	2	–	–	(5)
End of financial year	5,554	128	2,927	682	–	9,291
Net Book Value	16,621	31	314	202	2,790	19,958
Represented by :						
Cost	–	31	314	202	2,790	3,337
Valuation	16,621	–	–	–	–	16,621
	16,621	31	314	202	2,790	19,958

20 Property, plant and equipment (continued)

Group	Leasehold land and buildings	Plant and machinery	Furniture, fittings and facilities	Motor vehicles	Assets under construction	Total
	$'000	$'000	$'000	$'000	$'000	$'000
2016						
Cost or valuation						
Beginning of financial year cost or valuation	22,040	120	3,051	851	2,715	28,777
Transfer from development properties (Note 15)	–	–	76	–	–	76
Additions	–	40	77	89	–	206
Disposals	–	–	(10)	(14)	–	(24)
Currency translation differences	(38)	–	(1)	(3)	79	37
End of financial year	22,002	160	3,193	923	2,794	29,072
Represented by :						
Cost	–	160	3,193	923	2,794	7,070
Valuation	22,002	–	–	–	–	22,002
	22,002	160	3,193	923	2,794	29,072
Accumulated depreciation						
Beginning of financial year	3,846	120	2,780	590	–	7,336
Depreciation charge (Note 7)	882	3	73	101	–	1,059
Disposals	–	–	(10)	(2)	–	(12)
Currency translation differences	(3)	–	–	(3)	–	(6)
End of financial year	4,725	123	2,843	686	–	8,377
Net Book Value	17,277	37	350	237	2,794	20,695
Represented by :						
Cost	–	37	350	237	2,794	3,418
Valuation	17,277	–	–	–	–	17,277
	17,277	37	350	237	2,794	20,695

20 Property, plant and equipment (continued)

(a) The leasehold land and buildings comprise the following:

(i) Leasehold land and building with a remaining useful life of approximately 8 years, with a further 16-year lease period extension thereafter at the option of a subsidiary corporation. The land and building is located at Kian Teck Crescent, Singapore and is used as office, warehouse and factory. The gross area of the land is approximately 7,552 square metres.

(ii) Building at LA RONCERAIE-EC/M2, land title number 8102/64, located in Casablanca, Prefecture of the districts of Hay Hassani and Ain Choc, boulevard Yacoub Ei Mansour.

(b) As at 30 September, asset under construction with a carrying amount of $2,790,000 (2016: $2,794,000) is mortgaged to a bank for credit facilities granted to a subsidiary corporation (Note 24).

(c) Valuation of leasehold land and buildings

Valuation techniques used to derive Level 2 fair values

Level 2 fair values of the Group's properties have been generally derived using the sales comparison and replacement cost approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is selling price per square metre.

Valuation processes of the Group

The Group engages independent professional valuers on a triennial basis and the next revaluation work will be carried out for the financial year ending 30 September 2020.

If the revalued leasehold land and building had been included in the financial statements at costs less accumulated depreciation, the net book value would be $5,624,000 (2016: $5,725,000).

(d) Included within additions in the consolidated financial statements are motor vehicles acquired under finance leases amounting to $41,000 (2016: Nil).

The carrying amounts of motor vehicles held under finance leases as at 30 September 2017 are $66,000 (2016: $40,000).

21 Deferred income tax assets

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined under appropriate offsetting, are shown on the statement of financial position as follows:

	Group	
	2017	**2016**
	$'000	**$'000**
Deferred income tax assets – to be recovered after one year	83	7

21 Deferred income tax assets (continued)

Movements in deferred income tax assets (prior to offsetting of balances within the same tax jurisdiction) are as follows:

	Group	
	2017	2016
	$'000	$'000
Accelerated tax depreciation		
Beginning of financial year	7	46
Tax credited/(charged) to profit or loss (Note 10(a))	76	(39)
End of financial year	83	7

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of approximately $4,527,000 (2016: $3,107,000), which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses in their respective countries of incorporation. The tax losses have no expiry date.

22 Trade and other payables

	Group		Company	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Current				
Trade payables – Non-related parties	1,232	1,686	–	–
Non-trade payables:				
- Non-related parties	204	342	–	–
- Related parties	6,570	15,834	–	–
- Subsidiary corporations	–	–	12,920	11,601
	6,774	16,176	12,920	11,601
Accruals for operating expenses	1,475	1,759	200	193
Refundable deposits from customers	498	468	28	36
Bills payable	2,430	1,536	–	–
	12,409	21,625	13,148	11,830
Non-current				
Non trade payables - Related parties	14,114	3,328	–	–
	26,523	24,953	13,148	11,830

Non-trade payables to related parties and subsidiary corporations are unsecured, interest-free and are payable on demand, except for non-current payables amounting to $14,114,000 (2016: $3,328,000) which are payable after one year.

Bills payable of the subsidiary corporation are secured by corporate guarantees from the Company and certain subsidiary corporation.

The fair value of non-current payables are computed based on cash flows discounted at market borrowing rate of 5.6% (2016: 5.6%). The fair value is within Level 2 of fair value hierarchy.

23 Provisions

	Group	
	2017	2016
	$'000	$'000
Current		
Warranty	392	319
Non-current		
Demolition costs	161	165
Total	553	484

(a) Warranty

The Group gives warranty ranging from 1 to 5 years on certain products and undertake to repair or replace items that fail to perform satisfactorily. A provision is recognised at the reporting date for expected warranty claims based on past experience of the level of repairs and returns and related costs incurred.

Movements in provision for warranty are as follows:

	Group	
	2017	2016
	$'000	$'000
Beginning of financial year	319	319
Provision made (Note 7)	513	–
Utilisation of warranty	(440)	–
End of financial year	392	319

(b) Demolition costs

A provision is made in view of the Group's constructive obligation to demolish the sales gallery upon completion of sale of the development properties based on an estimated costs obtained from subcontractor. The effect of discounting has not been recognised in view of insignificant impact.

Movements in provision for demolition costs are as follows:

	Group	
	2017	2016
	$'000	$'000
Beginning of financial year	165	160
Currency translation difference	(4)	5
End of financial year	161	165

24 Borrowings

	Group	
	2017	**2016**
	$'000	**$'000**
Current		
Bank borrowings	13,254	9,840
Bank overdraft	631	–
Finance lease liabilities	21	13
	13,906	9,853
Non-current		
Bank borrowings	12,348	25,815
Finance lease liabilities	45	32
	12,393	25,847
Total borrowings	26,299	35,700

The contractual repricing of the bank borrowings are priced monthly (2016: monthly) and the effective interest rates on the borrowings for the reporting period are in the range of 4.58% to 5.86% (2016: 5.16% to 6.03%).

(a) Bank borrowings of the Group are secured over certain bank deposits (Note 12), development properties (Note 15) and leasehold buildings (Note 20). Finance lease liabilities of the Group are secured over motor vehicles (Note 20). The legal title is retained by the lessor and will be transferred to the Group upon full settlement of the finance lease liabilities.

(b) Fair values of non-current borrowings

	Group	
	2017	**2016**
	$'000	**$'000**
Bank borrowings	9,663	22,111
Finance lease liabilities	17	31
	9,680	22,142

The above fair values are determined from the cash flow analysis, discounted at market borrowings rates of equivalent instruments at the reporting date which the management expect to be available to the Group as follows:

	Group	
	2017	**2016**
	%	**%**
Short-term bank borrowings	5.83	5.60
Finance lease liabilities	2.54	2.52

The fair values are within Level 2 of the fair value hierarchy.

25 Derivative financial instrument

	Group			
	Contract notional amount		Fair value asset	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Non-hedging instrument				
Cross currency interest rate swap	16,629	23,664	3,213	3,579

Cross currency interest rate swap is transacted to hedge variable interest and principal payment of foreign currency borrowings. While cross currency interest rate swap provides hedging effect as required by the Group's risk management policy, the derivative does not meet the criteria for hedge accounting under the specific rules of *FRS 39 - Financial Instruments: Recognition and Measurement*. The fair value changes on the cross currency interest rate swap is recognised immediately in profit or loss.

26 Share capital

	Group and Company			
	Number of shares		Amount	
	2017	2016	2017	2016
	'000	'000	$'000	$'000
Beginning and end of financial year	209,826	209,826	32,315	32,315

All issued shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

27 Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) Sales and purchases of goods and services

	Group	
	2017	2016
	$'000	$'000
Purchases from related parties	629	420
Rental income from a related party	475	445

Related parties comprise mainly companies which are controlled or significantly influenced by the Group's key management personnel and their close family members.

Outstanding balances at 30 September 2017, arising from sales/purchases of goods and services, are unsecured and receivable/payable within 12 months from the reporting date and are disclosed in Note 13 and Note 22 respectively.

27 Related party transactions (continued)

(b) Key management's personnel compensation

	Group	
	2017	2016
	$'000	$'000
Wages and salaries:		
- Directors of the Company	340	540
- Other key management	351	419
Employer's contribution to defined contribution plans, including Central Provident Fund:		
- Directors of the Company	7	7
- Other key management	31	32
Directors' fees	151	151
	880	1,149

28 Contingent liabilities

The Company has provided corporate guarantees to financial institutions in respect of banking facilities granted to subsidiary corporations amounting to $27,240,000 (2016: $29,862,000) at the reporting date.

The directors estimated that the fair value of the corporate guarantees is negligible in the view that consequential benefits to be derived from its guarantee are not material and therefore not recognised. It is considered unlikely that the Company will be held liable as a result of the corporate guarantees since there are no default in the payment of borrowings by the subsidiary corporations to which guarantees are provided.

29 Commitments

(a) Operating lease commitments - where the Group is a lessee

The Group leases land and factories from non-related parties under non-cancellable operating leases agreements. The lease expires on various dates until 15 February 2041 and its term includes provision for rental adjustments.

The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:

	Group	
	2017	2016
	$'000	$'000
Not later than one year	122	129
Between one and five years	489	517
Later than five years	2,247	2,509
	2,858	3,155

29 Commitments (continued)

(b) Operating lease commitments - where the Group is a lessor

The Group leases out factory and office space to a related party under non-cancellable operating leases at a fixed rate.

The future minimum lease payments receivables under these operating leases contracted for at the reporting date but not recognised as receivables, are as follows:

	Group	
	2017	**2016**
	$'000	**$'000**
Not later than one year	475	475
Between one and five years	159	634
	634	1,109

30 Financial risk management

Financial risk factors

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk, liquidity risk and capital risk. The Group's overall risk management strategy seeks to minimise potential adverse effects from the unpredictability of financial markets on the financial performance of the Group.

The Board of Directors is responsible for setting the objective and underlying principles of financial risk management for the Group.

(a) Market risk

(i) Currency risk

The Group has exposure to foreign exchange risk as a result of transactions denominated in foreign currencies, arising from normal trading and investment activities. These foreign exchange risk exposures are mainly in Malaysian Ringgit ("RM"), Chinese Renminbi ("RMB"), United States Dollar ("USD") and Euro ("EUR").

The Group does not hedge its foreign currency exposure using any dedicated hedge instruments. Other than the derivative financial instrument hedged on foreign currency borrowings (Note 25), the Group does not have any formal hedging policy against foreign exchange fluctuations. However, the Group continuously monitors its foreign exchange exposure. The objective is to provide some certainty on costs and no speculative foreign exchange transactions are entered.

In addition, the Group is exposed to currency translation risk on the net assets in foreign operations. Currency exposure to the net assets of the Group's foreign operation in Malaysia are managed primarily though borrowings denominated in the relevant foreign currencies and by entering into currency swap, if necessary.

30 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposures based on information provided to key management are as follows:

Group	SGD	RM	RMB	USD	EUR	Others	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
30 September 2017							
Financial assets							
Cash and cash equivalents	921	2,203	5	107	32	10	3,278
Trade and other receivables	4,749	147	–	352	10	–	5,258
Other financial assets	–	9,707	–	–	–	–	9,707
Receivables from inter-companies	18,880	29,924	–	664	1,728	21	51,217
	24,550	41,981	5	1,123	1,770	31	69,460
Financial liabilities							
Trade and other payables	5,422	16,837	–	3,739	300	225	26,523
Borrowings	20,508	5,791	–	–	–	–	26,299
Payables to inter-companies	18,880	29,924	–	664	1,728	21	51,217
	44,810	52,552	–	4,403	2,028	246	104,039
Net financial (liabilities)/assets	(20,260)	(10,571)	5	(3,280)	(258)	(215)	(34,579)
Derivative financial instrument	16,629	–	–	–	–	–	16,629
Currency exposure of financial (liabilities)/ assets, net of those denominated in the respective entities' functional currencies	(3,631)	19,411	5	(3,280)	(258)	(215)	12,032
30 September 2016							
Financial assets							
Cash and cash equivalents	2,350	4,452	23	678	12	9	7,524
Trade and other receivables	3,501	142	2,379	167	5	174	6,368
Receivables from inter-companies	17,363	19,990	–	631	1,681	20	39,685
	23,214	24,584	2,402	1,476	1,698	203	53,577
Financial liabilities							
Trade and other payables	5,943	15,891	–	2,264	351	504	24,953
Borrowings	27,617	8,083	–	–	–	–	35,700
Payables to inter-companies	17,363	19,990	–	631	1,681	20	39,685
	50,923	43,964	–	2,895	2,032	524	100,338
Net financial (liabilities)/assets	(27,709)	(19,380)	2,402	(1,419)	(334)	(321)	(46,761)
Derivative financial instrument	23,664	–	–	–	–	–	23,664
Currency exposure of financial (liabilities)/assets, net of those denominated in the respective entities' functional currencies	(7,562)	7,691	2,402	(1,419)	(334)	(321)	457

30 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Company's currency exposures based on information provided to key management are as follows:

Company	SGD	RM	USD	Total
	$'000	$'000	$'000	$'000
30 September 2017				
Financial assets				
Cash and cash equivalents	23	36	7	66
Trade and other receivables	3,696	18,660	–	22,356
Other financial assets	–	7,702	–	7,702
	3,719	26,398	7	30,124
Financial liabilities				
Trade and other payables	13,119	29	–	13,148
Net financial (liabilities)/assets	(9,400)	26,369	7	16,976
Currency exposure of financial assets, net of those denominated in the Company's functional currency	–	26,369	7	26,376
30 September 2016				
Financial assets				
Cash and cash equivalents	59	100	6	165
Trade and other receivables	3,490	13,365	–	16,855
	3,549	13,465	6	17,020
Financial liabilities				
Trade and other payables	11,792	38	–	11,830
Net financial (liabilities)/assets	(8,243)	13,427	6	5,190
Currency exposure of financial assets, net of those denominated in the Company's functional currency	–	13,427	6	13,433

30 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

If the RM, RMB, USD and EUR change against SGD respectively with all other variables including tax rate being held constant, the effects will be as follows:

	Increase / (decrease) Profit before income tax	
	2017	**2016**
Group	**$'000**	**$'000**
RM against SGD		
- Strengthened by 5% (2016: 3%)	971	231
- Weakened 5% (2016: 3%)	(971)	(231)
RMB against SGD		
- Strengthened by 3% (2016: 9%)	–*	216
- Weakened by 3% (2016: 9%)	–*	(216)
USD against SGD		
- Strengthened by 6% (2016: 5%)	(197)	(71)
- Weakened by 6% (2016: 5%)	197	71
EUR against SGD		
- Strengthened by 7% (2016: 5%)	(18)	(17)
- Weakened by 7% (2016: 5%)	18	17
Company		
RM against SGD		
- Strengthened by 5% (2016: 3%)	1,318	403
- Weakened 5% (2016: 3%)	(1,318)	(403)
USD against SGD		
- Strengthened by 6% (2016: 5%)	–*	–*
- Weakened by 6% (2016: 5%)	–*	–*

–* Denotes less than $1,000

(ii) Interest rate risk

The Group's exposure to changes in interest rates arises primarily from the Group's fixed deposits placed with banks and variable rate borrowings amounting to $993,000 (2016: $802,000) and $26,299,000 (2016: $35,700,000) respectively (Note 12 and Note 24).

The Group's borrowings at variable rates are contractually repriced monthly. Its interest-bearing assets are not core income producing assets. The Group's income and operating cash flows are therefore substantially independent of changes in market interest rates.

The Group's borrowings at variable rates on which effective hedges have not been entered into are denominated mainly in RM. If the RM interest rates had been higher/lower by 1% (2016:1%) with all other variable including tax rate being held constant, the Group's profit before income tax would have been lower/higher by $263,000 (2016: $357,000) as a result of higher/lower interest expense on these borrowings.

The impact of the change in interest rates of fixed deposit and bills payable will not be significant to the Group.

30 Financial risk management (continued)

(b) Credit risk

Credit risk is the risk that counterparties default in their contractual obligations resulting in financial loss to the Group.

The Group's and Company's major classes of financial assets are cash and cash equivalents and trade and other receivables. The Group places its cash and cash equivalents with reputable banks and financial institutions which are regulated.

The credit risk arising from the Group's normal commercial operations is controlled by individual operating units within strict credit control and guidelines. Credit policy includes assessing and evaluation of existing and new customers' credit reliability and monitoring of receivable collections.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position, except as follows:

	Company	
	2017	**2016**
	$'000	**$'000**
Corporate guarantees provided to banks on subsidiary corporations' banking facilities (Note 28)	27,240	29,862

At the reporting date, approximately 23.2% (2016: 28.3%) of the Group's trade receivables were due from a single customer.

The credit risk for trade receivables based on the information provided to key management is as follows:

	Group	
	2017	**2016**
	$'000	**$'000**
By geographical areas		
Singapore	4,020	2,918
Morocco	–	115
	4,020	3,033

<u>Financial assets that are neither past due nor impaired</u>

Bank deposits that are neither past due nor impaired are mainly deposits placed with reputable banks. Trade receivables that are neither past due nor impaired are substantially companies which are financially healthy or with a good collection track record with the Group.

<u>Financial assets that are past due and/or impaired</u>

There is no other class of financial assets that is past due and/or impaired except for trade and other receivables.

30 Financial risk management (continued)

(b) Credit risk (continued)

The age analysis of trade receivables past due but not impaired is as follows:

	Group	
	2017	**2016**
	$'000	**$'000**
Past due less than one year	485	143

The carrying amount of trade receivables – non-related parties individually determined to be impaired and the movements in the related allowance for impairment are as follows:

	Group	
	2017	**2016**
	$'000	**$'000**
Past due less than one year	263	120
Past due more than one year	66	98
Less: Allowance for impairment loss	(193)	(152)
	136	66
Beginning of financial year	152	385
Currency translation difference	–	(9)
Allowance made (Note 7)	70	59
Allowance utilised	(6)	(183)
Reversal of allowance (Note 7)	(23)	(100)
End of financial year (Note 13)	193	152

The impaired trade receivables arise mainly from sales to companies with liquidity problems and have delayed payments of its debts.

The carrying amount of non-trade receivables – associated company determined to be impaired and the movements in the related allowance for impairment are as follows:

	Group	
	2017	**2016**
	$'000	**$'000**
Beginning of financial year	–	–
Allowance made	2,479	–
End of financial year (Note 13)	2,479	–

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through adequate amount of committed credit facilities. At the reporting date, asset held by the Group and the Company for managing liquidity risk included cash and short-term deposits as disclosed in Note 12.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. The Group also manages this risk by securing adequate credit facilities from a spread of reputable financial institutions to ensure necessary liquidity as provided in the consolidated statement of financial position.

30 Financial risk management (continued)

(c) Liquidity risk (continued)

The table below analyse the maturity profile of the non-derivative financial liabilities of the Group's and Company's based on contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Group		
	Within one year	**Between 2–5 years**	**After 5 years**
	$'000	**$'000**	**$'000**
2017			
Trade and other payables	9,979	16,002	–
Bills payable	2,430	–	–
Borrowings	13,906	12,703	–
	26,315	28,705	–
2016			
Trade and other payables	20,089	3,899	–
Bills payable	1,536	–	–
Borrowings	9,853	27,070	114
	31,478	30,969	114

	Company	
	Within one year	
	2017	**2016**
	$'000	**$'000**
Trade and other payables	13,148	11,830
Financial guarantee contracts (Note 28)	27,240	29,862

The table below analyses the derivative financial instruments of the Group for which contractual maturities are essential for an understanding of the timing of cash flows into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are contractual undiscounted cash flows.

	Group	
	Within one year	**Between 2-5 years**
	$'000	**$'000**
2017		
Cross currency interest swap		
- Receipts	11,777	9,130
- Payments	(9,862)	(7,652)
2016		
Cross currency interest swap		
- Receipts	8,449	20,585
- Payments	(8,154)	(19,510)

30 Financial risk management (continued)

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, issue new shares, buy back issued shares or obtain new borrowings.

Management monitors capital based on a gearing ratio. The Group and the Company are also required by the banks to maintain a positive net worth during tenure of all activities. The Group's and the Company's strategies which remained unchanged from 2016, is to maintain gearing ratio of not exceeding 1.0 times.

The gearing ratio is calculated as total debt (represented by total borrowings) divided by total equity.

	Group		Company	
	2017	**2016**	**2017**	**2016**
	$'000	**$'000**	**$'000**	**$'000**
Total debt	26,299	35,700	–	–
Total equity	61,055	75,415	40,265	37,783
Gearing ratio	0.43	0.47	NM	NM

NM: Not meaningful

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 30 September 2017 and 2016.

(e) Fair value measurement

The following table presents the assets and liabilities measured at fair value classified by level of the following fair value measurement hierarchy:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(iii) inputs for the assets or liabilities that are not based on observable market data (unobservable inputs) (Level 3).

Group	**Level 1**	**Level 2**	**Level 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
2017				
Assets				
Assets held-for-sale	9,707	–	–	9,707
Derivative financial instrument	–	3,213	–	3,213
2016				
Assets				
Assets held-for-sale	–	660	–	660
Derivative financial instrument	–	3,579	–	3,579

30 Financial risk management (continued)

(e) Fair value measurement (continued)

The fair value of financial instruments traded in active market is based on quoted market price at the reporting date. The fair value of assets held-for-sale is classified as Level 1.

The fair value of financial instrument that is not traded in an active market is determined by using valuation techniques. The Group relies on the fair value determined by a financial institution which is derived using valuation techniques, such as option pricing model and/or credit default swap model and involved the use of certain assumptions that are based on market conditions existing at each reporting date, including standard deviation, credit spreads, projected exchange rate and interest rate. The fair value of derivatives financial instruments is classified as Level 2.

(f) Financial instruments by category

The carrying amount of financial instruments other than those disclosed on the face of statement of financial position and Note 24 to the financial statements is as follows:

	Group		Company	
	2017	**2016**	**2017**	**2016**
	$'000	**$'000**	**$'000**	**$'000**
Loans and receivables	8,536	13,892	22,422	17,020
Financial liabilities at amortised cost	52,822	60,653	13,148	11,830

31 Segment information

The Group is organised into two main business segments:

- Trading of home appliances ("Trading")
- Property development

31 Segment information (continued)

The segment information for the reportable segments and reconciliation to the consolidated financial statements are as follows:

Primary reporting format - business segments

2017	Trading	Property Development	Unallocated	Total
	$'000	$'000	$'000	$'000
REVENUE				
External sales	19,718	–	–	19,718
Inter-segment sales	(394)	–	–	(394)
Sales to external parties	19,324	–	–	19,324
RESULTS				
Segment result	2,022	1,264	(16,358)	(13,072)
Interest income	–	35	–	35
Share of results of associated companies	–	–	1,879	1,879
Share of result of a joint-venture company	–	–	(100)	(100)
Interest expense	(82)	(2,418)	–	(2,500)
Loss before income tax				(13,758)
Income tax expense				(270)
Net loss				(14,028)
ASSETS				
Segment assets	27,939	61,935	24,927	114,801
Include:				
- Cash and cash equivalents			190	
- Other receivables – current			293	
- Investments in associated companies			12,533	
- Investment in a joint-venture company			2,112	
- Deferred income tax assets			83	
- Club membership			9	
- Assets held-for-sale			9,707	
LIABILITIES				
Segment liabilities	6,320	20,540	26,886	53,746
Include:				
- Bank borrowings			26,299	
- Income tax liabilities			371	
- Other payables			216	
OTHER				
Disposal of investment in an associated company	–	–	(1,723)	(1,723)
Addition to investment in a joint-venture company	–	–	183	183
Addition of property, plant and equipment	188	73	–	261
Depreciation	754	289	–	1,043

31 Segment information (continued)

2016	Trading	Property Development	Unallocated	Total
	$'000	$'000	$'000	$'000
REVENUE				
External sales	17,572	–	–	17,572
Inter-segment sales	(722)	–	–	(722)
Sales to external parties	16,850	–	–	16,850
RESULTS				
Segment result	1,091	(1,366)	(1,325)	(1,600)
Interest income	–	36	2	38
Share of results of associated companies	–	–	1,779	1,779
Share of result of a joint-venture company	–	–	(113)	(113)
Interest expense	(104)	(1,578)	–	(1,682)
Loss before income tax				(1,578)
Income tax expense				(214)
Net loss				(1,792)
ASSETS				
Segment assets	28,799	66,236	41,822	136,857
Include:				
- Cash and cash equivalents			291	
- Other receivables – current			22	
- Other receivables – non-current			2,379	
- Investments in associated companies			36,416	
- Investment in a joint-venture company			2,038	
- Deferred income tax assets			7	
- Club membership			9	
- Assets held-for-sale			660	
LIABILITIES				
Segment liabilities	5,972	19,216	36,254	61,442
Include:				
- Bank borrowings			35,700	
- Income tax liabilities			305	
- Other payables			249	
OTHER				
Addition to investment in an associated company	–	–	4,136	4,136
Addition to investment in a joint-venture company	–	–	2,149	2,149
Addition of property, plant and equipment	166	116	–	282
Depreciation	746	313	–	1,059

31 Segment information (continued)

Secondary reporting format - geographical segments

The Group's two business segments, trading and property development operate in two geographical areas which are Singapore and Malaysia.

Singapore mainly caters for the Group's trading activities on distribution of electrical and electronic home appliances for its operating subsidiary corporations.

The property development segment of the Group is primarily operated and located in Malaysia. The segment had a preview launch of its Seventh Cove project in Malaysia in 2015. Although the booking fees were collected from certain customers, sales and purchase agreements have not been formally signed, accordingly no revenue is recognised in the current and prior financial years.

The Group's associated company operates and distributes electrical and electronic home appliances and develop properties in Malaysia.

Sales are based on the country in which the customers are located. Non-current assets and capital expenditure are shown by geographical area where the assets are located.

	Sales		Non-Current Assets		Capital Expenditure	
	2017	2016	2017	2016	2017	2016
	$'000	$'000	$'000	$'000	$'000	$'000
Singapore	18,705	15,603	13,429	16,131	147	165
Malaysia	–	–	22,491	46,968	114	116
Morocco	–	203	1,988	2,024	–	1
Other countries	619	1,044	–	–	–	–
	19,324	16,850	37,908	65,123	261	282

Revenues of $2,380,000 (2016: $3,233,000) are derived from a single external customer. These revenues are attributable to the Singapore trading segment.

32 Events occurring after reporting date

Subsequent to the end of financial year, the Company announced the following:

- On 29 November 2017, the Company disposed 13,600,000 ordinary shares in its associated company, Fiamma Holdings Berhad to a related party for a total consideration of approximately RM7,480,000 (approximately $2,407,000);

- On 5 December 2017, the Company entered into two conditional sale and purchase agreements with a related party and a non-related party to dispose 16,400,000 and 28,000,000 ordinary shares in its associated company, Fiamma Holdings Berhad for a total consideration of approximately RM24,420,000 (approximately $7,858,000).

Although the proposed disposal is subject to approval from the shareholders at an Extraordinary General Meeting of the Company to be convened within the next twelve months from the end of the financial year, management has assessed that the planned partial disposal of the Company's investment in Fiamma of 58,000,000 ordinary shares shall be classified and presented as "Assets held-for-sale" in accordance with *FRS 105 – Non-current Assets Held for Sale and Discontinued Operations*.

32 Events occurring after reporting date (continued)

Subsequent to the disposal, the Company will hold 74,889,900 ordinary shares (representing approximately 14.72%) of the issued and paid-up share capital of Fiamma Holdings Berhad and it will continue to have representative on the board of Fiamma Holdings Berhad. Accordingly, the Company will be able to exercise significant influence over Fiamma and continue to account for its interest in Fiamma as associated company. Details of the proposed disposal is disclosed in Note 6 and remaining carrying amount of the investment is disclosed in Note 17 of the financial statements.

33 New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Company's accounting periods beginning on or after 1 October 2017 or later periods and which the Company has not early adopted:

<u>Effective for annual periods beginning on or after 1 January 2017</u>

- Amendments to FRS 7 : Disclosure Initiative
- Amendments to FRS 12 : Recognition of Deferred Tax Assets for Unrealised Losses
- Amendments to FRS 112 : Disclosure of Interests in Other Entities

<u>Effective for annual periods beginning on or after 1 January 2018</u>

- FRS 109 Financial Instruments
- FRS 115 Revenue from Contracts with Customers

  (The effective date of FRS 115 Revenue from contracts with customers has been deferred from 1 January 2017 to 1 January 2018)
- Amendments to FRS 40 : Transfers of Investment Property
- Amendments to FRS 102 : Classification and Measurement of Share-based Payment Transactions
- Amendments to FRS 115 : Clarifications to FRS 115 Revenue from Contracts with Customers
- Improvements to FRSs (December 2016)
  - ➢ Amendments FRS 28 : Investments in Associates and Joint Ventures
  - ➢ Amendments FRS 101 : First-Time Adoption of Financial Reporting Standards
- INT FRS 112 Foreign Currency Transactions and Advance Consideration

<u>Effective for annual periods beginning on or after 1 January 2019</u>

- FRS 116 : Leases

<u>Effective date of the following standard had been revised from 1 January 2016 to a date to be determined by Accounting Standards Council</u>

- Amendments to FRS 110 and FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

33 New or revised accounting standards and interpretations (continued)

The management anticipates that the adoption of the above FRSs, INT FRSs and amendments to FRS in the future periods will not have a material impact on the financial statements of the Company in the period of their initial adoption except for the following:

(a) FRS 109 Financial Instruments

FRS 109 replaces the multiple classification and measurements model in FRS 39 Financial Instruments: Recognition and Measurement with a single model that has initially only two classification categories: amortised cost and fair value. The Company's financial assets comprise of loans and receivables and held-to-maturity financial assets. Therefore, the Company does not expect the new requirements to have a significant impact on the classification of its financial assets.

For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk to other comprehensive income, for liabilities designated at fair value through profit or loss. There will be no impact on the Company's accounting policies for financial liabilities as the Company does not have any of such liabilities.

Besides, a new expected credit loss (ECL) model which involves a three-stage approach whereby financial assets move through the three stages as their credit quality changes. The stage dictates how an entity measures impairment losses and applies the effective interest rate method. A simplified approach is permitted for financial assets that do not have a significant financing component (i.e. trade receivables). The Company has yet to undertake a detailed assessment of how its impairment provisions would be affected by this new model, it may result in an earlier recognition of credit losses.

(b) FRS 115 Revenue from contracts with customers

This standard will replace FRS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. Revenue is recognised when control of a good or service transfers to a customer, so the notion of control replaces the existing notion of risks and rewards. The customer obtains control when it has the ability to direct the use of and obtain benefits from the good or service.

A new five-steps process must be applied before revenue can be recognised:

- Identify contracts with customers;
- Identify the separate performance obligation;
- Determine the transaction price of the contract;
- Allocate the transaction price to each of the separate performance obligations; and
- Recognize the revenue as each performance obligation is satisfied.

The standard allows a choice of full retrospective application or prospective application with additional disclosure.

At this stage, the Company is not able to estimate the impact of the new standard over the Group's financial statements. The Company will make more detailed assessment of the impact over the next twelve months.

(c) FRS 116 Leases

FRS 116 will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

33 New or revised accounting standards and interpretations (continued)

(c) FRS 116 Leases (continued)

The standard will affect primarily the accounting for the Company's operating leases. As at the reporting date, the Company has non-cancellable operating lease commitments of $2,858,000 (Note 29(a)). However, the Company has yet to determine to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Company's profit and classification of cash flows.

34 Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution by the Board of Directors of Casa Holdings Limited on 29 December 2017.

SHAREHOLDINGS STATISTICS

As at 20 December 2017

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 20 DECEMBER 2017

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	–	0.00	–	0.00
100 - 1,000	497	18.28	495,000	0.23
1,001 - 10,000	1,750	64.36	8,095,360	3.86
10,001 - 1,000,000	461	16.96	32,542,470	15.51
1,000,001 and above	11	0.40	168,693,310	80.40
Total	**2,719**	**100.00**	**209,826,140**	**100.00**

Based on the information available to the Company as at 20 December 2017, approximately 32.47% of the issued ordinary shares of the Company is held by the public. This complies with Rule 723 of the SGX-ST Listing Manual.

SHAREHOLDINGS STATISTICS

As at 20 December 2017

TWENTY LARGEST SHAREHOLDERS AS AT 20 DECEMBER 2017

	NAME OF SHAREHOLDER	NO. OF SHARES	%
1	AZZURI HOLDINGS PTE LTD	107,011,330	51.00
2	RAFFLES NOMINEES (PTE) LTD	17,728,570	8.45
3	HU ZHONGHUAI	17,380,110	8.28
4	DBS NOMINEES PTE LTD	11,391,800	5.43
5	SEAH SIOK NIEW	5,981,900	2.85
6	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	2,884,000	1.37
7	NG HOCK KON	1,561,000	0.74
8	NG KWONG CHONG	1,500,000	0.71
9	LIM MEOW SING	1,120,000	0.53
10	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	1,099,000	0.52
11	HSBC (SINGAPORE) NOMINEES PTE LTD	1,035,600	0.49
12	PHILLIP SECURITIES PTE LTD	970,500	0.46
13	LEE BOON HOCK @ LEE BOOH HOCK	842,000	0.40
14	KUEK SER KHIANG KEITH	717,600	0.34
15	CHIAN TOW YONG	716,000	0.34
16	CHUNG KHAI HENG	673,000	0.32
17	FSK INVESTMENT HOLDING PTE. LTD.	611,400	0.29
18	EDDY SUMITRA WIDJAJA OR LUCIEN HIDAYAT WIJAYA	600,000	0.29
19	LIM SOO TIAH	593,000	0.28
20	TAN SOO HUE	550,000	0.26
	TOTAL:	**174,966,810**	**83.35**

Substantial Shareholders	Direct	Indirect
AZZURI HOLDINGS PTE LTD	107,011,330	–
HU ZHONG HUAI	17,380,110	107,011,330
LIM SOO KONG @ LIM SOO CHONG	17,139,670	107,011,330
Directors' Shareholdings		
HU ZHONG HUAI	17,380,110	107,011,330
LIM SOO KONG @ LIM SOO CHONG	17,139,670	107,011,330

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at 15 Kian Teck Crescent, Singapore 628884 on Wednesday, 31 January 2018 at 10.00 a.m. to transact the following business:-

AS ORDINARY BUSINESS

1. To receive and consider the Audited Financial Statements of the Company for the financial year ended 30 September 2017 and the Directors' Statement and the Auditors' Report thereon. **(Resolution 1)**

2. To approve the Directors' fees of S$151,000 for the financial year ended 30 September 2017 (30 September 2016: S$151,000). **(Resolution 2)**

3. To re-elect Mr. Hu Zhong Huai retiring pursuant to Article 107 of the Company's Constitution. **(Resolution 3)**
(Please see Explanatory Note 1)

4. To re-appoint Messrs Nexia TS Public Accounting Corporation as independent auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 4)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolutions with or without modifications:-

5. **Authority to allot and issue shares**

(a) "That, pursuant to Section 161 of the Companies Act, Chapter 50, and the listing rules of the Singapore Exchange Securities Trading Limited, approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:

(i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;

(ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "Instruments") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;

(iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and

(b) (Notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force,

provided always that

(i) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the total number of issued shares excluding treasury shares of the Company, of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares excluding treasury shares of the Company, and for the purpose of this resolution, the issued share capital shall be the Company's total number of issued shares excluding treasury shares at the time this resolution is passed, after adjusting for;

a) new shares arising from the conversion or exercise of convertible securities, or

b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the Singapore Exchange Securities Trading Limited, and

c) any subsequent bonus issue, consolidation or subdivision of the Company's shares, and

(ii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier." **(Resolution 5)**

(See Explanatory Note 2)

6. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

Margaret Chak Lee Hung
Company Secretary

16 January 2018

Notes:

1. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, Chapter 50 (the "Act"), a member is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where a member appoints more than one proxy, the proportion of his concerned shareholding to be represented by each proxy shall be specified in the proxy form. A proxy need not be a member of the Company.

2. Pursuant to Section 181(1C) of the Act, a member who is a Relevant Intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

3. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.

4. The instrument appointing proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the registered office of the Company at 15 Kian Teck Crescent, Singapore 628884 not later than 48 hours before the time time set for the Annual General Meeting.

5. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Chapter 289) Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.

Explanatory Notes:-

1. The key information of Mr. Hu Zhong Huai can be found on page 4 of the Annual Report.

2. The ordinary resolution in item no. 5 is to authorise the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to issue shares and convertible securities in the Company up to an amount not exceeding in aggregate 50 percent of total number of issued shares excluding treasury shares of the Company, of which the total number of shares and convertible securities issued other than on a pro-rata basis to existing shareholders shall not exceed 20 percent of the total number of issued shares excluding treasury shares of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

CASA HOLDINGS LIMITED

Company Registration Number : 199406212Z
(Incorporated in the Republic of Singapore)

IMPORTANT

1. Pursuant to Section 181(1C) of the Companies Act, Chapter 50 (the "Act"), Relevant Intermediaries may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For investors who have used their CPF monies to buy shares in the Company, this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors are requested to contact their respective Agent Banks for any queries they may have with regard to their appointment as proxies or the appointment of their Agent Banks as proxies for the Annual General Meeting.

PROXY FORM

*I/We ____ of

____

being *a member/members of Casa Holdings Limited (the "Company"), hereby appoint

Name	Address	NRIC/ Passport No.	Proportion of shareholdings to be represented by proxy (%)

*and/or

or failing him, the Chairman of the Meeting as *my/our *proxy/proxies to vote for *me/us on *my/our behalf and, if necessary, to demand a poll, at the Annual General Meeting of the Company to be held at 15 Kian Teck Crescent, Singapore 628884 on 31 January 2018 at 10.00 a.m. and at any adjournment thereof.

*I/we direct *my/our *proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the Annual General Meeting as indicated with an "X" in the spaces provided hereunder. If no specified directions as to voting are given, the *proxy/proxies will vote or abstain from voting at *his/their discretion.

No.	Ordinary Resolutions	For	Against
1.	To receive and consider the Audited Financial Statements for the financial year ended 30 September 2017.		
2.	To approve the Directors' fees of S$151,000 for the financial year ended 30 September 2017.		
3.	To re-elect Mr. Hu Zhong Huai as Director of the Company.		
4.	To re-appoint Messrs Nexia TS Public Accounting Corporation as auditors of the Company.		
5.	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act, Chapter 50.		

Dated this ______________ day of ______________________ 2018

Total Number of Shares Held

____
Signature(s) of Member(s)/Common Seal

** Delete accordingly*

IMPORTANT. Please read notes overleaf

Notes:-

1. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, Chapter 50 (the “Act”), a member is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where a member appoints more than one proxy, the proportion of his concerned shareholding to be represented by each proxy shall be specified in the proxy form.

2. Pursuant to Section 181(1C) of the Act, a member who is a Relevant Intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

3. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.

4. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with its Constitution and Section 179 of the Act.

AFFIX
STAMP

The Company Secretary
CASA HOLDINGS LIMITED
c/o Tricor Barbinder Share Registration Services
80 Robinson Road #11-02
Singapore 068898

5. The instrument appointing proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the registered office of the Company at 15 Kian Teck Crescent, Singapore 628884 not later than 48 hours before the time set for the Annual General Meeting.

6. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Chapter 289) Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.

7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

8. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time set for the Annual General Meeting.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Lim Yian Poh
(Chairman and Independent Director)

Lim Soo Kong @ Lim Soo Chong
(CEO and Executive Director)

Hu Zhong Huai
(Non-Executive and Non-Independent Director)

Dr Low Seow Chay
(Independent Director)

Stefan Matthieu Lim Shing Yuan
(Non-Executive and Non-Independent Director)

COMPANY SECRETARIES

Margaret Chak Lee Hung
Lin Moi Heyang

AUDIT COMMITTEE

Dr Low Seow Chay *(Chairman)*
Lim Yian Poh
Stefan Matthieu Lim Shing Yuan

NOMINATING COMMITTEE

Dr Low Seow Chay *(Chairman)*
Lim Soo Kong @ Lim Soo Chong
Lim Yian Poh

REMUNERATION COMMITTEE

Dr Low Seow Chay *(Chairman)*
Lim Yian Poh
Hu Zhong Huai

SHARE REGISTRAR

Tricor Barbinder Share Registration Services
(a business division of Tricor Singapore Pte Ltd)
80 Robinson Road #02-00
Singapore 068898

AUDITORS

Nexia TS Public Accounting Corporation
100 Beach Road
Shaw Tower #30-00
Singapore 189702

Director-In-Charge
Meriana Ang Mei Ling
(Appointed since financial year ended 30 September 2016)

REGISTERED OFFICE

Casa Holdings Limited
(Incorporated in Singapore, Registration Number: 199406212Z)

Website: www.casaholdings.com.sg
15 Kian Teck Crescent
Singapore 628884
Tel: 6268 0066
Fax: 6266 8069

CASA HOLDINGS LIMITED

15 Kian Teck Crescent
Singapore 628884
Tel: 65 6268-0066
Fax: 65 6266-8069
www.casaholdings.com.sg

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Tel: (65) 63278398