

SALE OF SHARES IN FIAMMA HOLDINGS BERHAD

1. INTRODUCTION

The Board of Directors (the “**Board**” or the “**Directors**”) of Casa Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company had today disposed 13,600,000 ordinary shares (the “**Sale Shares**”) in its associated company, Fiamma Holdings Berhad (“**FHB**”), representing approximately 2.674% of the issued and paid-up share capital of FHB, to Mr Lim Choo Hong (the “**Purchaser**”) (the “**Transaction**”).

As a result of the Transaction, the Company’s shareholding interest in FHB decreased from approximately 26.124% to approximately 23.45%.

2. INFORMATION ON FHB AND THE PURCHASER

2.1 Information on FHB

FHB is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad (“**Bursa Securities**”). FHB is engaged in the business of property investment in Malaysia and Singapore. As at the date of this announcement, the total issued and paid-up share capital of FHB is MYR254,346,343.50 comprising 508,692,687 ordinary shares of MYR0.50 each.

As at the date of this announcement, the Company holds 132,889,900 ordinary shares in FHB, representing approximately 26.12% of the issued and paid-up share capital in FHB. Therefore, FHB is an associated company of the Company, being a company in which at least 20% of its shares are held by the Company.

2.2 Information on the Purchaser

Mr Lim Choo Hong is a director and substantial shareholder of FHB. As at the date of this announcement, Mr Lim Choo Hong has a direct interest in 117,390,168 ordinary shares in FHB, representing approximately 23.077% of the issued and paid-up share capital of FHB.

As at the date of this announcement, Mr Lim Choo Hong holds 173,030 ordinary shares in the capital of the Company (the “**Shares**”) representing approximately 0.08% of the issued and paid-up share capital of the Company.

Mr Lim Choo Hong is also a director and shareholder of Azzuri Holdings Pte. Ltd. (“**Azzuri**”), which holds 107,011,330 ordinary shares in the Company, representing approximately 51% of the issued and paid-up share capital of the Company. Mr Lim Choo Hong has a direct interest in 970,000 ordinary shares in Azzuri, representing approximately 19.4% of the issued and paid-up share capital of Azzuri. Mr Lim Choo Hong is not deemed to be interested in the 107,011,330 Shares held by Azzuri in the Company by virtue of section 7 of the Companies Act (Chapter 50) of Singapore (the “**Companies Act**”), and accordingly, Mr Lim Choo Hong is not a controlling shareholder of the Company. The effective interest of Mr Lim Choo Hong via Azzuri would be approximately 9.89% of the issued and paid-up share capital of the Company.

3. CONSIDERATION

The consideration payable by the Purchaser to the Company for the Sale Shares is MYR0.55 (equivalent to approximately S\$0.18 based on the exchange rate of S\$1: MYR3.1) for each Sale Share, at an aggregate consideration of MYR7,480,000 (equivalent to approximately S\$2,412,903 based on the exchange rate of S\$1: MYR3.1) (the “**Consideration**”). The Consideration has been satisfied in cash.

The purchase price of MYR0.55 per Sale Share represents a premium of approximately MYR0.045 to the last transacted price of MYR0.505 for each Sale Share for trades done on the Main Market of Bursa Securities for the last full market day on 28 November 2017, being the last full trading day prior to the date of this announcement.

The Consideration was arrived at by arm’s length negotiations between the Purchaser and the Company, on a willing-buyer and willing-seller basis, after taking into account the prevailing market prices of the Sale Shares at the point of negotiation, the track record and prospect of the Sale Shares in generating returns and cash flows, the liquidity of the Sale Shares, the availability of the Purchasers, and the Company’s existing cash flow commitments.

The Transaction will result in the Group achieving a net gain on disposal of S\$131,613. The proceeds from the Transaction represent an excess of S\$606,823 over the book value of the Sale Shares.

4. RATIONALE

The rationale for the Transaction is to provide the Company and the Group with funds to reduce their current bank borrowings as and when they fall due, and for general working capital of the Group.

5. USE OF PROCEEDS

The Company expects to receive gross proceeds of MYR7,480,000 (equivalent to approximately S\$2,412,903 based on the exchange rate of S\$1: MYR3.1) from the Transaction. It is the present intention of the Board to deploy part of the proceeds to repay outstanding bank loans that fall due within twelve (12) months from the end of the financial year and part of the proceeds for general working capital of the Group and/or any strategic investments or acquisitions when suitable opportunities arise.

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

6.1 Under Chapter 10 of the Listing Manual (the “**Listing Manual**”) of the Main Board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), transactions which are classified under any of the four categories specified in Rule 1004 of the Listing Manual will trigger certain obligations on the Company.

6.2 The relative figures computed on the relevant bases set out in Rule 1006 of the Listing Manual in respect of the Transaction and based on the latest announced financial statements of the Group for the financial year ended 30 September 2017 (“**FY2017**”) are as follows:

Listing Rule	Bases	Relative Figures
Rule 1006(a)	Net asset value of the Sale Shares, compared with the Group's net asset value [(S\$2,281,000 ÷ S\$61,058,000) x 100%]	3.74%
Rule 1006(b)	Net profits attributable to the Sale Shares, compared with the Group's net losses	0.94%

	$[(S\$131,613 \div S\$14,047,000) \times 100\%]$	
Rule 1006(c)	Aggregate value of consideration received from the Transaction, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares $[(S\$2,412,903 \div S\$15,946,786) \times 100\%]$	15.13%
Rule 1006(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
Rule 1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets	Not applicable

6.3 As the relative figures computed above on the bases set out in Rule 1006 above exceed 5% but do not exceed 20%, the Transaction constitutes a discloseable transaction under Chapter 10 of the Listing Manual. Therefore, the Transaction is not subject to shareholders' approval.

7. FINANCIAL EFFECTS OF THE TRANSACTION

The financial effects of the Transaction as set out below are shown for illustrative purposes only and are not intended to reflect the actual financial performance or position of the Group after the completion of the Transaction. In accordance with Rules 1010(8) and 1010(9) of the Listing Manual, the financial effects have been prepared based on the audited consolidated financial statements of the Group for FY2016.

7.1 Net tangible assets ("NTA")

For illustrative purposes only, the *pro forma* financial effects of the Transaction on the Group's NTA per share, assuming that the Transaction had been effected on 30 September 2016, being the end of FY2016, the most recently completed audited financial year, are set out below:

	Before the Transaction	After the Transaction
NTA	S\$75,415,000	S\$75,546,613
Number of shares	209,826,140	209,826,140
NTA per share	S\$0.3594	S\$0.36

7.2 Earnings per share ("EPS")

For illustrative purposes only, the *pro forma* financial effects of the Transaction on the consolidated earnings of the Group, assuming that the Transaction had been effected on 1 October 2015, being the beginning of FY2016, the most recently completed audited financial year, are set out below:

	Before the Transaction	After the Transaction
Earnings	S\$65,000	S\$196,613
Number of shares	209,826,140	209,826,140

EPS	S\$0.0003	S\$0.0009
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8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

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

	Direct Interest	Deemed Interest	Total Interest	%
Directors				
Mr Hu Zhong Huai ⁽¹⁾	17,380,110	107,011,330	124,391,440	59.28
Mr Lim Soo Kong @ Lim Soo Chong ^{(1) (3)}	17,139,670	107,011,330	124,151,000	59.17
Dr Low Seow Chay	–	–	–	–
Mr Lim Yian Poh	–	–	–	–
Mr Stefan Lim ⁽²⁾	–	–	–	–
Substantial Shareholder				
Azzuri	107,011,330	–	107,011,330	51.00

Notes:-

- (1) Mr Hu Zhong Huai and Mr Lim Soo Kong @ Lim Soo Chong each hold 2,030,000 ordinary shares (40.6%) and 2,000,000 ordinary shares (40.0%) respectively in the issued and paid-up share capital of Azzuri. Mr Hu Zhong Huai and Mr Lim Soo Kong @ Lim Soo Chong are deemed interested in the 107,011,330 Shares held by Azzuri, by virtue of each holding more than 20% of the issued and paid up capital of Azzuri pursuant to section 7 of the Companies Act.
- (2) Mr Lim Shing Yan Stefan Matthieu is the son of Mr Lim Soo Kong @ Lim Soo Chong.
- (3) As at the date of this announcement, Mr Lim Soo Kong @ Lim Soo Chong has a direct interest in 14,793,300 ordinary shares in FHB, representing approximately 2.91% of the issued and paid-up share capital of FHB.

Save as disclosed above, none of the Directors or controlling shareholders or substantial shareholders of the Company or their associates has any interest, direct or indirect, in the Transaction.

9. SERVICE AGREEMENTS

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

10. CAUTIONARY STATEMENT

Shareholders are advised to read this announcement and any further announcement(s) released by the Company in connection with the Transaction carefully. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company and should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they are in doubt about the actions that they should take.

11. FURTHER ANNOUNCEMENTS

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

12. DIRECTORS' RESPONSIBILITY STATEMENT

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

By order of the Board

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

Date: 29 November 2017