

PROPOSED DISPOSAL 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 on 5 December 2017 entered into the following sale and purchase agreements (the “**Proposed Disposal**”):

- (a) a sale and purchase agreement (“**LCH Agreement**”) with Mr Lim Choo Hong (“**Mr Lim CH**”), under which, the Company has agreed to sell, and Mr Lim CH has agreed to purchase, 16,400,000 ordinary shares (“**LCH Sale Shares**”) of Fiamma Holdings Berhad (“**FHB**”) at MYR0.55 for each ordinary share at a consideration of MYR9,020,000 (equivalent to approximately S\$2,909,677, based on the exchange rate of MYR3.1: S\$1), subject to the terms and conditions of the LCH Agreement; and
- (b) a sale and purchase agreement (“**NWB Agreement**”, and together with the LCH Agreement, the “**Agreements**”) with Mr Ngo Wee Bin (“**Mr Ngo WB**”, and together with Mr Lim CH, the “**Purchasers**”), under which, the Company has agreed to sell, and Mr Ngo WB has agreed to purchase 28,000,000 ordinary shares (“**NWB Sale Shares**”) of FHB at MYR0.55 for each ordinary share at a consideration of MYR15,400,000 (equivalent to approximately S\$4,967,741, based on the exchange rate of MYR3.1: S\$1), subject to the terms and conditions of the NWB Agreement,

(LCH Sale Shares and NWB Sale Shares shall be collectively referred to as the “**Sale Shares**”).

The Sale Shares represent approximately 8.73% of the issued and paid-up share capital of FHB. Upon completion of the Proposed Disposal (the “**Completion**”), the Company will hold 74,889,900 ordinary shares of FHB representing approximately 14.72% in FHB, and FHB will cease to be an associated company of the Company under the Listing Manual¹.

2. INFORMATION ON FHB AND THE PURCHASERS

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 distribution of home appliances and property investment in Malaysia. As at the date of this announcement, the total issued and paid-up share capital of FHB is MYR254,331,343.50 comprising 508,662,687 ordinary shares.

As at the date of the execution of the Agreements, the Company holds 119,289,900 ordinary shares in FHB, representing approximately 23.45% of the issued and paid-up share capital in FHB. Therefore, FHB is an associate 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 Purchasers

2.2.1 Mr Lim Choo Hong

¹ Following the completion of the Proposed Disposal, the Company will assess the accounting treatment for its investment in FHB based on the applicable accounting standards.

Mr Lim CH is a director and substantial shareholder of FHB. As at the date of this announcement, Mr Lim CH holds direct interest in 130,990,168 ordinary shares in FHB, representing approximately 25.75% of the issued and paid-up share capital of FHB.

As at the date of this announcement, Mr Lim CH 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 CH 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 CH has a direct interest in 970,000 ordinary shares in Azzuri, representing 19.4% of the issued and paid-up share capital of Azzuri. Mr Lim CH 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 CH is not a controlling shareholder of the Company. The effective interest of Mr Lim CH via Azzuri would be approximately 9.89% of the issued and paid-up share capital of the Company.

2.2.2 Mr Ngo Wee Bin

Mr Ngo WB is a substantial shareholder of FHB. As at the date of this announcement, Mr Ngo WB holds direct interest in 56,000,000 ordinary shares in FHB, representing approximately 11.009% of the issued and paid-up share capital of FHB.

3. **PRINCIPAL TERMS OF THE PROPOSED DISPOSAL**

3.1 **Consideration**

The consideration payable by each of Mr Lim CH and Mr Ngo WB 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 MYR24,420,000 (equivalent to approximately S\$7,877,419 based on the exchange rate of S\$1: MYR3.1) (the “**Consideration**”). The Consideration shall be paid in full by each of Mr Lim CH and Mr Ngo WB to the Company in cash on the Completion Date (as defined below).

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 4 December 2017, being the last full trading day prior to the signing of the Agreements.

The Consideration was arrived at by arm’s length negotiations between the Purchasers 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 Proposed Disposal will result in the Group achieving a net gain on disposal of S\$429,677. The proceeds from the Proposed Disposal represent an excess of S\$1,981,099 over the book value of the Sale Shares.

3.2 **Conditions Precedent**

Completion is conditional upon the following conditions having been fulfilled, or waived in accordance with the Agreements, to the extent legally permissible:

- (a) the obtaining of the approval from the board of directors of the Company in respect of the Proposed Disposal, and such approval not having been withdrawn or revoked as at the Completion Date;
- (b) Mr Lim CH signing a declaration to confirm that he is not a controlling shareholder of the Company²;
- (c) the obtaining of the approval from the shareholders of the Company in respect of the Proposed Disposal at an extraordinary general meeting of the Company to be convened, and such approval not having been withdrawn or revoked as at the Completion Date;
- (d) the waiver from the Securities Commission Malaysia being obtained by Mr Lim CH in respect of the Proposed Disposal³;
- (e) all other necessary consents, if any, being granted and not withdrawn or revoked by stock exchanges and other relevant authorities having jurisdiction over the transactions contemplated under the Agreement and if such consents are obtained subject to any conditions and where such conditions affect any of the Company and/or the Purchasers, such conditions being acceptable to the Company and/or the Purchasers concerned and, if such conditions are required to be fulfilled before Completion, such conditions being fulfilled before Completion; and
- (f) the sale and purchase of the Sale Shares be completed simultaneously.

3.3 Completion Date

Completion shall take place at the offices of the Company within 14 days of the fulfilment (or waiver) of the conditions precedent set out in Clause 4.1 of the LCH Agreement or NWB Agreement (as the case may be), or on such other date as may be agreed between the Company and the Purchasers (the “**Completion Date**”).

4. RATIONALE

The rationale for the Proposed Disposal 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 MYR24,420,000 (equivalent to approximately S\$7,877,419 based on the exchange rate of S\$1: MYR3.1) from the Proposed Disposal. 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

² This condition precedent is only applicable to the LCH Agreement.

³ This condition precedent is only applicable to the LCH Agreement.

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 Proposed Disposal 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\$7,447,742 ÷ S\$61,058,000) x 100%]	12.20%
Rule 1006(b)	Net profits attributable to the Sale Shares, compared with the Group's net losses [(S\$429,677 ÷ S\$-14,047,000) x 100%]	-3.06%
Rule 1006(c)	Aggregate value of consideration received from the Proposed Disposal, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares [(S\$7,877,419 ÷ S\$15,527,134) x 100%]	50.73%
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 20%, the Proposed Disposal constitutes a major transaction under Rule 1014 of the Listing Manual. Therefore, the Proposed Disposal is conditional upon the approval of Shareholders at an extraordinary general meeting to be convened. A circular will be despatched to Shareholders in due course. As the relative figure calculated under Rule 1006(b) is negative, the Company will consult the SGX-ST in accordance with Rule 1007(1).

7. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The financial effects of the Proposed Disposal 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 Proposed Disposal. In accordance with Rules 1010(8) and 1010(9) of the Listing Manual, the financial effects have been prepared based on the latest unaudited consolidated financial statements of the Group for FY2017.

Net tangible assets (“NTA”)

For illustrative purposes only, the *pro forma* financial effects of the Proposed Disposal on the Group's NTA per share, assuming that the Proposed Disposal had been effected on 30 September 2017, being the end of FY2017, the most recently completed unaudited financial year, are set out below:

	Before Proposed Disposal	After Proposed Disposal
NTA (S\$)	61,058,000	61,487,677
Number of shares	209,826,140	209,826,140
NTA per share (S\$)	0.2910	0.2930

Earnings / (Loss) per share ("EPS")

For illustrative purposes only, the *pro forma* financial effects of the Proposed Disposal on the consolidated earnings of the Group, assuming that the Proposed Disposal had been effected on 1 October 2016, being the beginning of FY2017, the most recently completed unaudited financial year, are set out below:

	Before Proposed Disposal	After Proposed Disposal
Earnings / (Loss) (S\$)	(14,047,000)	(13,617,323)
Number of Shares	209,826,140	209,826,140
Earnings / (Loss) per share (S\$)	(0.067)	(0.065)

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 as follows:

	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 Proposed Disposal.

9. SERVICE AGREEMENTS

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

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Agreements are available for inspection during normal business hours at the registered office of the Company at 15 Kian Teck Crescent, Singapore 628884, for a period of three (3) months commencing from the date of this announcement.

11. CAUTIONARY STATEMENT

The Company wishes to highlight that completion of the Proposed Disposal is subject to conditions precedents being fulfilled and there is no certainty or assurance that the Agreements will be completed or that no changes will be made to the terms of the Agreements. Shareholders are advised to read this announcement and any further update announcement(s) released by the Company in connection with the Proposed Disposal 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.

12. FURTHER ANNOUNCEMENTS

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

13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Disposal, the issuer and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in 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: 6 December 2017