

**CASA HOLDINGS LIMITED**

Company Registration No: 199406212Z

Full Year Financial Statement for the Financial Year Ended 30 September 2018

PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) A statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year

	30 Sep 2018 S\$'000	30 Sep 2017 S\$'000	+/(-)%
Revenue	21,491	19,324	11.2%
Cost of sales	(12,420)	(11,255)	10.4%
Gross profit	<u>9,071</u>	<u>8,069</u>	12.4%
Other income	1,700	1,343	26.6%
Other gains/(losses) – net	2,614	(11,031)	N.M.
Expenses			
- Selling and distribution	(2,382)	(2,073)	14.9%
- Administrative	(7,447)	(9,345)	(20.3%)
- Finance	(2,662)	(2,500)	6.5%
Share of profit of associated companies	1,614	1,879	(14.1%)
Share of loss of joint venture company	(91)	(100)	(9.0%)
Profit/(loss) before income tax	<u>2,417</u>	<u>(13,758)</u>	
Income tax expense	(495)	(270)	83.3%
Net profit/(loss)	<u>1,922</u>	<u>(14,028)</u>	N.M.
Other comprehensive income/(loss), net of tax:			
<u>Items that may be reclassified subsequently to profit or loss:</u>			
Currency translation differences arising from consolidation	45	(109)	
Shares of other comprehensive income/(loss) of associated companies	580	(1,014)	
<u>Item that will not be reclassified subsequently to profit or loss:</u>			
Revaluation gains on property, plant and equipment	-	148	
Shares of other comprehensive income of associated companies	-	643	
Other comprehensive income/(loss), net of tax	<u>625</u>	<u>(332)</u>	
Total comprehensive income/(loss)	<u>2,547</u>	<u>(14,360)</u>	
Net profit/(loss) attributable to:			
Equity holders of the Company	3,185	(12,672)	
Non-controlling interests	(1,263)	(1,356)	
	<u>1,922</u>	<u>(14,028)</u>	
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company	3,744	(12,920)	
Non-controlling interests	(1,197)	(1,440)	
	<u>2,547</u>	<u>(14,360)</u>	

N.M. denotes not meaningful.

1(a)(ii) The accompanying notes to the financial statements form an integral part of the financial statements

30 Sep 2018 **30 Sep 2017**
SS'000 **SS'000**

Charging/(crediting):

Other income:

- Interest income from bank deposits	(137)	(35)
- Rental income on operating lease	(481)	(482)
- Service income	(1,036)	(814)

Other (gains)/losses – net

- Currency translation gain – net	(342)	(66)
- Fair value loss/(gain) on derivative financial instrument	11	(366)
- Fair value loss on assets held-for-sale	-	5,818
- Gain on amortisation of non-current payables	(1,247)	(2,221)
- Gain on disposal of assets held-for-sale	(1,036)	-
- Impairment loss on investment in associated company	-	7,487
- Interest income on amortisation of non-current receivables	-	(107)
- Loss on partial disposal of investment in associated company	-	486

Expenses:

- Amortised interest on non-current payables	1,526	937
- Allowance for impairment of trade receivables	122	70
- Club membership written-off	9	-
- Cost of inventories recognised as an expense (included in ‘cost of sales’)	11,877	10,886
- Depreciation of property, plant and equipment	1,074	1,043
- Employee compensation (including Directors’ remuneration)	4,751	4,015
- Impairment loss on non-trade receivables – associated company	-	2,479
- Interest on borrowings	1,075	1,545
- Provision for warranty claims	486	513
- Reversal of allowance for impairment of trade receivables	(101)	(23)

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	<u>The Group</u>		<u>The Company</u>	
	30 Sep 2018	30 Sep 2017	30 Sep 2018	30 Sep 2017
	SS'000	SS'000	SS'000	SS'000
<u>Current assets:</u>				
Cash and cash equivalents	7,772	3,278	2,827	66
Derivative financial instrument	1,261	-	-	-
Trade and other receivables	5,740	5,362	115	378
Amounts due from subsidiary corporations	-	-	32,013	22,003
Inventories	5,770	4,621	-	-
Development properties	-	53,925	-	-
Total current assets	20,543	67,186	34,955	22,447
Assets held-for-sale	-	9,707	-	7,702
<u>Non-current assets:</u>				
Club membership	-	9	-	-
Derivative financial instrument	-	3,213	-	-
Development properties	55,488	-	-	-
Investments in associated companies	14,283	12,533	10,305	10,305
Investment in a joint-venture company	2,398	2,112	-	-
Investments in subsidiary corporations	-	-	12,959	12,959
Property, plant and equipment	19,150	19,958	-	-
Deferred income tax assets	-	83	-	-
Total non-current assets	91,319	37,908	23,264	23,264
Total assets	111,862	114,801	58,219	53,413
<u>Current liabilities:</u>				
Trade and other payables	7,174	12,409	211	228
Amounts due to subsidiary corporations	-	-	12,029	12,920
Provisions	422	392	-	-
Borrowings	11,595	13,906	-	-
Current income tax liabilities	428	371	-	-
Total current liabilities	19,619	27,078	12,240	13,148
<u>Non-current liabilities</u>				
Other payables	27,502	14,114	-	-
Provisions	165	161	-	-
Borrowings	925	12,393	-	-
Total non-current liabilities	28,592	26,668	-	-
Total liabilities	48,211	53,746	12,240	13,148
Net assets	63,651	61,055	45,979	40,265
<u>Capital and reserves attributable to equity holders of the Company</u>				
Share capital	32,315	32,315	32,315	32,315
Currency translation reserve	(10,577)	(11,136)	-	-
Revaluation reserve	12,282	12,282	-	-
Retained profits	29,034	25,849	13,664	7,950
	63,054	59,310	45,979	40,265
Non-controlling interests	597	1,745	-	-
Total equity	63,651	61,055	45,979	40,265

1(b)(ii) Aggregate amount of the Group's borrowings and debt securities.

	As at 30 Sep 2018		As at 30 Sep 2017	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	11,595	-	13,906	-
Amount repayable after one year	925	-	12,393	-

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

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	30 Sep 2018 S\$'000	30 Sep 2017 S\$'000
Cash flows from operating activities		
Net profit/(loss)	1,922	(14,028)
Adjustments for:		
Club membership written-off	9	-
Depreciation of property, plant and equipment	1,074	1,043
Fair value loss/(gain) on derivative financial instrument	11	(366)
Fair value loss on assets held-for-sale	-	5,818
Gain on amortisation of non-current payables	(1,247)	(2,221)
Gain on disposal of assets held-for-sale	(1,036)	-
Interest income on amortisation of non-current receivables	-	(107)
Impairment loss on investment in associated company	-	7,487
Income tax expense	495	270
Interest expense	2,662	2,500
Interest income	(137)	(35)
Loss on partial disposal of investment in associated company	-	486
Property, plant and equipment written-off	-	72
Share of profit of associated companies	(1,614)	(1,879)
Share of loss of a joint-venture company	91	100
Unrealised currency translation (gains)/losses	(280)	938
	1,950	78
Change in working capital:		
Development properties	(62)	(51)
Inventories	(1,149)	(470)
Trade and other payables	729	(808)
Trade and other receivables	(355)	1,519
Cash generated from operations	1,113	268
Income tax paid	(356)	(280)
Net cash provided by/(used in) operating activities	757	(12)
Cash flows from investing activities		
Dividends received from an associated company	443	677
Interest received	137	35
Investment in joint-venture company	(384)	(183)
Proceeds from partial disposal of investments in an associated company	-	1,237
Proceeds from disposal of assets held-for-sale	10,743	363
Additions to property, plant and equipment	(158)	(220)
Net cash provided by investing activities	10,781	1,909
Cash flows from financing activities		
Additional bank deposits pledged	(22)	(191)
Interest paid	(1,136)	(1,563)
(Decrease)/increase in bills payable	(371)	894
Proceeds from bank borrowings	2,260	-
Proceeds from related parties' borrowing	5,547	3,348
Repayment of bank borrowings	(12,797)	(9,321)
Repayment of finance lease liabilities	(26)	(20)
Subscription of shares in a subsidiary corporation by non-controlling interests	49	-
Net cash used in financing activities	(6,496)	(6,853)
Net increase/(decrease) in cash and cash equivalents	5,042	(4,956)
Cash and cash equivalents at beginning of the financial year	1,654	6,722
Effects of currency translation on cash and cash equivalents	61	(112)
Cash and cash equivalents at end of the financial year	6,757	1,654

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to equity holders of the Group						Total equity S\$'000
	Share capital	Currency translation reserve	Revaluation reserve	Retained profits	Total	Non-controlling interests	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
The Group							
Balance as at 1 Oct 2017	32,315	(11,136)	12,282	25,849	59,310	1,745	61,055
Total comprehensive income/(loss) for the financial year	-	559	-	3,185	3,744	(1,197)	2,547
Incorporation of a subsidiary corporation	-	-	-	-	-	49	49
Balance as at 30 Sep 2018	32,315	(10,577)	12,282	29,034	63,054	597	63,651
The Group							
Balance as at 1 Oct 2016	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	-	-	-
Balance as at 30 Sep 2017	32,315	(11,136)	12,282	25,849	59,310	1,745	61,055

	Attributable to equity holders of the Company		
	Share capital	Retained profits	Total equity
	S\$'000	S\$'000	S\$'000
The Company			
Balance as at 1 Oct 2017	32,315	7,950	40,265
Total comprehensive income for the financial year	-	5,714	5,714
Balance as at 30 Sep 2018	32,315	13,664	45,979
The Company			
Balance as at 1 Oct 2016	32,315	5,468	37,783
Total comprehensive income for the financial year	-	2,482	2,482
Balance as at 30 Sep 2017	32,315	7,950	40,265

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

None. There were no shares held as treasury shares as at 30 September 2018.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

As at 30 September 2018, the total number of issued shares of the Company was 209,826,140 (As at 30 September 2017: 209,826,140).

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on**

Not applicable.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Same as disclosed in Note 5 below, the Company and the Group have applied the same accounting policies and methods of computation as in the Group's most recently audited financial statements for the financial year ended 30 September 2017.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The adoption of all new and revised Singapore Financial Reporting Standards did not result in significant changes in the Group's accounting policies.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	The Group	
	<u>30 Sep 2018</u>	<u>30 Sep 2017</u>
<u>Amount in cents</u>		
Profit/(loss) per ordinary share for the financial year reported on based on net profit/(loss) attributable to shareholders:		
(i) Based on the weighted average number of ordinary shares on issue	1.52	(6.03)
(ii) Based on a fully diluted basis	<u>1.52</u>	<u>(6.03)</u>

The earnings per share is calculated based on the Group's net profit/(loss) attributable to the shareholders divided by the issued share capital of the Company of 209,826,140 shares.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.

	The Group		The Company	
	<u>30 Sep 2018</u>	<u>30 Sep 2017</u>	<u>30 Sep 2018</u>	<u>30 Sep 2017</u>
<u>Amount in cents</u>				
Net asset value (NAV) attributable to the shareholders per ordinary share based on the issued share capital at the end of the financial year of 209,826,140				
	<u>30.05</u>	<u>28.27</u>	<u>21.91</u>	<u>19.19</u>

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; it must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

The Group's revenue reported at S\$21.5 million for the financial year ended 30 September 2018 ("FY2018"), an 11.2% increase from S\$19.3 million as compared to the last financial year. The increase is mainly due to contribution from Unicasa Pty Ltd ("Australia subsidiary") and Beko Home Appliances.

Consistent with the increase in revenue, gross profit has also increased by 12.4%.

Increase of other income by 26.6% or S\$0.4 million is mainly attributed to higher service income as a result of revision in service charges and increase in revenue collected from non-warranty jobs.

Other gains of S\$2.6 million in FY2018 is largely due to gain on amortisation of interest-free payables of S\$1.2 million, gain on disposal of asset held-for-sale of S\$1.0 million upon completion of disposal of shares in Fiamma Holdings Limited ("Fiamma"), and exchange gain of S\$0.3 million. Other losses of S\$11.0 million for FY2017 was mainly due to

- (i) Fair value loss on asset held-for-sale of S\$5.8 million, in relation to the portion of investment in Fiamma, held-for-sale revalued at market prices as at FY2017
- (ii) Impairment loss on investment in Fiamma at market prices as at FY2017, amounting to S\$7.5 million, and
- (iii) Offset by gain on amortisation of interest-free payables of S\$2.2 million

Selling and distribution expense increased by 14.9% or S\$0.3 million, which is in line with increase in revenue. The increase consists of the increase in advertising and promotion expense of S\$0.1 million, increase in delivery charges of S\$0.1 million, and increase in commission and incentives of S\$0.1 million.

The decrease in administrative expenses by S\$1.9 million is mainly due to FY2017 included an impairment loss on non-current other receivable amounting to S\$2.4 million. The decrease is partially offset by the increase in employee compensation which is in line with the increase in revenue in FY2018.

Finance expense increased by 6.5% or S\$0.2 million. This is due to an increase in interest on amortisation arising from non-current payables of S\$0.6 million which is in line with the increase in interest-free payables to related parties, offset by a decrease in bank borrowings interest of S\$0.5 million which is in line with the decrease in borrowings.

Share of profit of associated companies decreased by 14.1% or S\$0.3 million due to decrease in the Group's shareholdings in Fiamma from 26.12% to 14.83% offset by increase in profit contributed by Fiamma as a result of improved revenue.

Income tax increased by 83.3% or S\$0.2 million. This was mainly due to FY2017 included tax saving from Productivity and Innovation Claims and over-provision of the Group's income tax.

As a result of the above, the Group reported profit before income tax of S\$2.4 million in FY2018 as compared to loss before income tax of S\$13.8 million in FY2017. After taking into account of income tax expense and loss attributable to non-controlling interests, the Group reported a net profit attributable to equity holders of the Company of S\$3.2 million in FY2018 as compared to a net loss attributable to equity holders of the Company of S\$12.7 million in FY2017.

Review of working capital, assets or liabilities

Trade and other receivables

Increase in trade and other receivables to S\$5.7 million from S\$5.4 million is in line with the increase in sales.

Inventories

Higher inventories are maintained mainly to cater for the operations of Australia subsidiary which is set up during FY2018.

Asset held-for-sale

Assets held-for-sale related to the disposal of 58 million ordinary shares in Fiamma which is completed in FY2018.

Development properties

Development properties refer to residential and commercial properties in Malaysia. The increase in development properties to S\$55.5 million from S\$53.9 million is mainly attributable to currency translation adjustment arising from the stronger Malaysian Ringgit against Singapore dollar. The development properties are reclassified to non-current assets as the Group does not expect to realise the assets within the normal operating cycles from the reporting period.

Investment in associated companies

Investment in associated companies increased by S\$1.8 million mainly due to the share of associated companies' profit of S\$1.6 million recognised in FY2018.

Trade and other payables

Increase in trade and other payables is mainly due to increase in amount due to related parties of S\$7.0 million and trade payables of S\$1.2 million. A portion of the other payables are reclassified to non-current liabilities as non-trade payables to related parties are payable after one year.

Bank borrowings

Decrease in bank borrowings is mainly due to repayment of S\$12.8 million principal payment to the financial institutions.

Review of cashflows

The Group reported a net increase in cash and cash equivalents which is mainly due to funds generated from investing and operating activities offset with net cash outflow from financing activities.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

There was no forecast or prospect statement disclosed to the shareholders in the previous announcement.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

In light of challenging economic landscape and shift in consumer buying platform, the trading segment performances for the next reporting period remain challenging. However, the Group remains focused on expanding its product ranges and cautiously develops new markets and explores new selling platforms and new product brands.

As the property market sentiments in Iskandar stay lackluster despite the recent news of Singapore-Malaysia High Speed Rail (“HSR”) Project, the Group remains cautious in launching its products at an appropriate time.

11. Dividend

(a) Current Financial Period Reported On

No dividend was declared for the current financial period reported on.

(b) Corresponding Period of the Immediately Preceding Financial Year

No dividend was declared for the corresponding period of the immediate preceding financial year.

(c) Date Payable and Books Closure Date

Not applicable. No dividend was declared for the current financial period reported on.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR
ANNOUNCEMENT**

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

12. (a) Primary segment reporting – Business Segment

2018	Trading	Property Development	Unallocated	Total
	S\$'000	S\$'000	S\$'000	S\$'000
REVENUE				
External sales	22,690	-	-	22,690
Inter-segment sales	(1,199)	-	-	(1,199)
Sales to external parties	21,491	-	-	21,491
RESULTS				
Segment result	2,065	525	829	3,419
Interest income	1	33	103	137
Share of profit of associated company	-	-	1,614	1,614
Share of loss of joint venture company	-	-	(91)	(91)
Interest expense	(132)	(2,530)	-	(2,662)
Profit before income tax				2,417
Income tax expenses				(495)
Net profit				1,922
ASSETS				
Segment assets	29,479	62,741	19,642	111,862
Include:				
-Cash and cash equivalents			2,929	
-Other receivables – current			32	
-Investments in associated companies			14,283	
-Investments in a joint-venture company			2,398	
LIABILITIES				
Segment liabilities	8,118	26,873	13,220	48,211
Include:				
-Bank borrowings			12,520	
-Income tax liabilities			428	
-Other payables			272	
OTHER				
Addition to investment in a joint-venture company	-	-	384	384
Addition of property, plant and equipment	158	-	-	158
Depreciation	775	299	-	1,074

2017	Trading	Property Development	Unallocated	Total
	S\$'000	S\$'000	S\$'000	S\$'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 profit of associated company	-	-	1,879	1,879
Share of loss of joint venture company	-	-	(100)	(100)
Interest expense	(82)	(2,418)	-	(2,500)
Loss before income tax				(13,758)
Income tax expenses				(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	
-Investments in a joint venture company			2,112	
-Deferred income tax assets			83	
-Club membership			9	
-Asset 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	-	-	(1,237)	(1,237)
Addition to investment in a joint venture company	-	-	183	183
Addition of property, plant and equipment	188	73	-	261
Depreciation	754	289	-	1,043

12. (b) Secondary segment reporting – Geographical Segment

	Sales		Non-Current Assets		Capital Expenditure	
	2018 S\$'000	2017 S\$'000	2018 S\$'000	2017 S\$'000	2018 S\$'000	2017 S\$'000
Singapore	19,415	18,705	12,826	13,429	9	147
Malaysia	-	-	76,465	22,491	-	114
Australia	1,627	-	130	-	149	-
Morocco	-	-	1,898	1,988	-	-
Other	449	619	-	-	-	-
	21,491	19,324	91,319	37,908	158	261

13. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Segment Reporting

Trading

Trading segment revenue and result for FY2018 increased by 11.2% and 2.1% respectively, as compared to the previous financial year.

Property Development

Property Development segment did not recognise any revenue for this financial year. Segment result reported a gain after taking in gain on amortisation of interest-free payables of S\$1.1 million less operating expenses.

14. A breakdown of sales

<u>Group</u>	FY 2018 S\$'000	FY 2017 S\$'000	% Increase
(a) Sales reported for the first half year	10,486	8,920	17.6%
(b) Profit/(loss) after tax before deducting minority interests reported for first half year	2,157	(259)	N.M.
(c) Sales reported for the second half year	11,005	10,404	5.8%
(d) Loss after tax before deducting minority interests reported for second half year	(235)	(13,769)	98.3%

15. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	FY 2018 (S\$'000)	FY 2017 (S\$'000)
Ordinary	-	-

16. Interested Person

Transactions Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (S\$'000)
Rental income received from Multicable Manufacturing (S) Pte Ltd	475
Purchase of home appliances from Arda (Zhejiang) Electric Co Ltd	636

17. Managerial Position

There is no person occupying a managerial position in the Company or any of its subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

On behalf of the board of directors

Lim Soo Kong
Chief Executive Officer

29 November 2018