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ASIA CASSAVA RESOURCES HOLDINGS LIMITED

亞洲木薯資源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code：841）

SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO PROPOSED CHANGE OF AUDITOR

Reference is made to the announcement of Asia Cassava Resources Holdings Limited (the "Company") dated 27 April 2026 in relation to the Proposed Change of Auditor (the "Announcement"). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Company would like to provide the following supplementary information as below:

The Detailed Chronology of Events Leading to the Proposed Change of Auditors

At the last annual general meeting of the Company held on 26 September 2025, E&Y was re-appointed as the auditor of the Company and to hold office until the conclusion of the next annual general meeting of the Company. In December 2025, the Company commenced preliminary discussions with E&Y regarding the audit scope, audit timetable and proposed audit fee for the financial year ended 31 March 2026. E&Y provided an audit fee quotation of HK$2,800,000 (inclusive of disbursement) for the audit of the consolidated financial statements of the Company for the financial year ended 31 March 2026 (the "**2026 Audit**").

In January 2026, as part of its annual governance and cost-control review, the board of directors of the Company (the "**Board**"), together with the audit committee of the Company (the "**Audit Committee**"), reassessed the level of professional fees of the Group, including audit fees, having regard to the Group's current operational scale, risk profile, cost-control strategy and prevailing market practices. Upon the completion of the reassessment, the Audit Committee formed the view that, the E&Y's proposed audit fee was relatively higher compared to other proposals received, having regard to the Group's current operational scale and audit scope. As such, the Company approached other audit firms and sought fee proposals and, received quotations of HK$1,200,000 (exclusive of disbursement) from CCTH, in late March 2026.

Following receipt of the indicative quotations, CCTH was invited to attend a meeting with the Audit Committee on 14 April 2026, at which CCTH presented and discussed its proposed audit approach, audit plan and fee structure.

On 20 April 2026, the Board (including Audit Committee) notified E&Y of the Proposed Removal of Auditors subject to the shareholders' approval.

E&Y has confirmed in writing that, E&Y have not commenced any work on the consolidated financial statements of the Company for the year ended 31 March 2026, and that save for the difference in audit fee, there are no other circumstances in connection with its removal that should be brought to the attention of the Shareholders or creditors of the Company.

The Board (including the audit committee) have also confirmed that, save as disclosed above, there are no disagreements between the Company and E&Y in relation to the Proposed Change of Auditor and there are no outstanding audit issues that need to be brought to the attention of the Shareholders.

The Audit Fee Proposal and the Reasons for the Different Fees

E&Y's proposed audit fee is HK$2,800,000 (inclusive of disbursement) and that proposed by CCTH is HK$1,200,000 (exclusive of disbursement) for the 2026 Audit.

Below is the comparison between E&Y and CCTH in terms of members of HK audit teams and HK supporting team, fee breakdown and budgeted hours by grade:

		E&Y	CCTH
1.	Members of HK audit team comprising:	Partner (29 years of audit experience), 1 manager (6 years of audit experience) and 4 senior and staff associates	Partner (over 17 years of audit experience), 1 Principal (over 10 years of audit experience), 1 manager (8 years of audit experience); 1 assistant manager, 1 senior and 1 associate PRC-based audit personnel consisting of 1 audit senior and 1 associate
2.	HK supporting teams comprising:	IT team, tax team and valuation team	Tax team

3. Fee breakdown

The proposed audit fee proposed by CCTH of HK$1,200,000 includes the audit fee to be incurred for its appointed component auditors in Thailand, Cambodia and Lao, respectively, but excludes disbursement to be incurred in performing 2026 Audit.

The proposed audit fee proposed by E&Y of HK$2,800,000 are allocated to its HK team of HK$2,137,000, its Thailand component team of HK$292,000, its Lao component team of HK$201,000 and disbursement of HK$170,000.

4. Budgeted hours by grade

The total estimated audit hours by CCTH are approximately 2,752, comprising 152 hours for the engagement partner, 64 hours for engagement quality control reviewer ("EQCR"), 64 hours for the principal, 24 hours for the technical consultant, 16 hours for the tax team, 312 hours for the audit manager, 344 hours for the assistant audit manager, 480 hours for two senior auditors and 456 hours for two associates, 520 hours for the component auditor in Thailand, 160 hours for the component auditor in Cambodia, and 160 hours for the component auditor in Lao.

The total estimated audit hours by E&Y for its Hong Kong team are approximately 3,444, comprising 120 hours for the engagement partner, 34 hours for EQCR, 680 hours for managers, 500 hours for seniors, 1300 hours for associates, 430 hours for IT, tax and valuation specialists and 380 hours for its shared service centre team. Additional hours are expected for its Thailand and Lao component teams.

Included in E&Y's budgeted hours by grade were (i) 430 hours for IT, tax and valuation specialists and (ii) 380 hours for its shared service centre team. In view of the Group's principal activities – sales and procurement of dried cassava chips, hotel operation and serviced apartment operation and investment properties which are not IT-related business, the Audit Committee considered that the IT audit may not be indispensable for the Group's audit as a whole. In addition, the Group's asset valuation was performed mainly for the self-used properties, investment properties and an equity investment, it may not be too sophisticated. Furthermore, the shared service centre team is mainly responsible for centralized handling of bank confirmations for the Group. The Audit Committee considered that the budgeted hours in these two areas may be too excessive than its actual needs.

Based on the above, the Audit Committee is of the opinion that the budgeted hours for CCTH is compatible with those of E&Y without compromising audit quality.

After comparing the these two audit fee proposal the 2026 Audit, and also made reference to the quotation of another reputable CPA firm, the Audit Committee considered that the reduced fee proposed by CCTH is not unreasonable and audit quality should not be affected just because of this disparity. The reduced fee offered by CCTH is primarily attributable to the operational efficiencies and strategic resources deployment rather than any reduction in audit scope or audit quality, including:

- CCTH has ensured experienced audit team composition and appropriate resource allocation for the engagement. The proposed audit team of CCTH for the 2026 Audit comprises an engagement partner, an EQCR, a technical consultant, a principal, a engagement manager and a dedicated audit team.

- CCTH has confirmed to implement efficient resource allocation and management strategies to ensure audit quality while achieving cost efficiency by direct involvement of senior engagement personnel in audit planning, supervision and review, having regard to the nature, scope and complexity of the Group's operations. This deliberate allocation of experienced professionals to critical audit areas provided robust oversight and enhanced the reliability of audit procedures to address complex accounting issues effectively and mitigate potential risks without unnecessary duplication of work.

- CCTH has confirmed to maintain regular communication with management and the Audit Committee throughout the course of the audit. CCTH has undertaken to provide timely updates on any issues identified during audit procedures to ensure transparency and avoid last-minute surprises. This proactive communication framework allows the management and the Audit Committee to address matters promptly and such an approach reflects best practices in governance and reinforces the assurance for audit quality.

In addition, the Audit Committee conducted a comprehensive assessment regarding the audit quality, proposed audit approach, manpower deployment, level of senior involvement, audit timetable, independence, competence and capability of CCTH, with reference to the quality indicators set out in the Guide on the selection, appointment and reappointment of auditors.

(i) Independence

The Audit Committee assessed CCTH's compliance with relevant ethical requirements by reviewing written independence confirmations provided by CCTH and members of the engagement team and considering compliance with applicable ethical and independence standards.

The Company confirms that there is no relationship between the Company and the shareholders, directors, signing partners and reviewing partners of the incoming auditors.

(ii) Competence, industry experience and technical expertise

The Company and the Audit Committee have obtained the CCTH's business license, practicing certificates, and qualifications for conducting audits of Hong Kong listed companies. The Company has further verified such information with the public information disclosed by the Stock Exchange.

The EQCR is the founder of CCTH who has over 30 years of audit experience. The Engagement Partner has over 17 years of audit experience and previously worked in Big-Four firms. The proposed Audit Team also includes a Principal with over 10 years of audit experience and a Engagement Manager with 8 years audit experience. All of them are qualified CPA and both partners are registered responsible persons for public interest entity ("**PIE**") audit engagement with Accounting and Financial Reporting Council and with extensive audit experience for Hong Kong listed companies. The audit team includes audit staffs holding bachelor degree in accounting who have extensive audit experience for listed companies in Hong Kong, thereby bringing with them experience and familiarity with high quality practices. CCTH has direct experience, knowledge and technical competence in auditing listed companies with similar industry size and operational profile in Hong Kong and the Chinese Mainland. Such expertise of CCTH is highly relevant to the Company's operations and provides assurance that the Audit Team is well-equipped to address the Group's regulatory and operational matters.

(iii) Capability – manpower, time commitment and resources

The Audit Committee specifically assessed CCTH's capability to undertake the audit by reviewing (i) the proposed manpower deployment by staff seniority and geographical location; (ii) the estimated audit hours and time commitment of the engagement partner and manager; (iii) CCTH's ability to deploy additional resources if required; and (iv) CCTH serves over 30 Hong Kong-listed companies with sufficient audit experience in auditing Hong Kong listed companies.

(iv) Team structure of CCTH and working hours

CCTH's core team planned for the Company's audit engagement to include an engagement partner with over 17 years of audit experience, one Principal with over 10 years of audit experience and one audit manager with approximately 8 years of audit experience; all possess certified public accountant qualifications. Additionally, the team includes one assistant audit manager with approximately 7 years of audit experience, one senior auditor with approximately 4 years of audit experience and 1 associate with approximately 2 years of audit experience. Furthermore, component auditors will be appointed to perform fieldwork in Thailand, Cambodia, and Lao. In addition, PRC-based audit personnel—comprising one audit senior and one associate—will be deployed to perform on-site fieldwork. The total estimated audit hours are approximately 2,752, comprising 152 hours for the engagement partner, 64 hours for EQCR, 64 hours for the principal, 24 hours for the technical consultant, 16 hours for the tax team, 312 hours for the audit manager, 344 hours for the assistant audit manager, 480 hours for two senior auditors, 456 hours for two associates, 520 hours for the component auditor in Thailand, 160 hours for the component auditor in Cambodia, and 160 hours for the component auditor in Lao. These hours are dynamically adjustable based on audit progress to ensure the smooth completion of the work.

CCTH has a pool of experienced auditors, which allows it to optimize the staffing and utilization of the audit team, ensuring the right mix of skills and experience. By carefully managing the proposed audit team's composition and utilization, CCTH can further drive down the overall cost of delivering the audit services and hence the audit fees charged by CCTH to the Company would be lower, without compromising the audit quality.

(v) Communication and interaction with the audit committee

The Audit Committee assessed CCTH's communication and interaction arrangements by reviewing the proposed communication protocols set out in the audit plan. CCTH will maintain structured and ongoing communication with the Audit Committee throughout the audit process, including: (i) an opening meeting during the audit planning stage in mid-May 2026 to discuss the audit scope, audit approach, risk assessment, materiality and timetable; (ii) interim meeting(s) during the audit execution stage from mid to late-June 2026 to update the Audit Committee on audit progress, preliminary findings, key audit matters and any issues identified; and (iii) a closing meeting during the completion stage in late June to mid-July 2026 to report the audit findings, significant judgments, audit adjustments (if any), unresolved matters (if any) and conclusions prior to finalisation of the annual results and audited financial statements. CCTH will also report significant audit matters to the Audit Committee on a timely basis throughout the audit process.

During the year ended 31 March 2026, the Group has maintained stable operations characterised by limited complexity. The business model and core activities remained consistent, supported by a straightforward group structure and a small number of operating subsidiaries. There were no significant restructurings, or complex transactions undertaken. The nature and complexity of the business, as well as the composition of group entities, operational bases, major customers, and suppliers, did not experience material changes except for the commencement of production of cassava starch plants in Lao from December 2025 onwards. Operations continue to be concentrated in the mainland China, Hong Kong and Thailand within familiar regulatory frameworks, and the Group does not participate in complex financial instruments or valuation intensive undertakings. In summary, the Audit Committee concurred with CCTH's assessment that the scale and risk profile of the Group's operations remain manageable and largely unchanged from previous periods.

Accordingly, the Audit Committee is satisfied that CCTH is independent, competent and capable to perform the highly quality audit, which meets the requirements of the Company. The Audit Committee acknowledges its ongoing responsibility to monitor the performance and effectiveness of the external auditor and will maintain appropriate oversight through regular communication, review of significant audit matters and evaluation of the auditor's performance to ensure compliance with applicable professional standards and the maintenance of audit quality.

Proposed audit timetable

Phase	Estimated Time	Detailed Procedures
Audit Planning Phase	Mid to Late-May 2026	1. Communicate with management and the Audit Committee; 2. Update the understanding of the Group's operations, key revenue streams and internal controls; 3. Identify and assess significant audit risks; 4. Understand internal control design and operation; test key control points; evaluate control effectiveness; determine the scope and nature of substantive procedures; 5. Perform inventory count and fixed assets count; 6. Assess the necessity for the appointment of component auditors regarding overseas operations, including consideration of the Group's structure, geographic locations, materiality of components, regulatory requirements, and the extent of reliance on work performed by other auditors.
Audit Execution Phase	June 2026	1. Perform audit procedures in accordance with applicable auditing standards on opening balances and prior-year comparative figures; 2. Perform substantive procedures; focus on high-risk areas; 3. Communicate with component auditors (if any) to provide audit instructions, including the scope of work, identified significant risks, materiality level, reporting timelines and documentation requirements; coordinate and monitor the progress of their audit work
Completion and Reporting	Late-June to Mid-July 2026	1. Summarize audit evidence; 2. Communicate with component auditors (if any) to obtain and evaluate their audit findings, review component auditor reports and working papers where necessary, resolve significant matters arising and assess the adequacy and appropriateness of audit evidence obtained for consolidation purposes; 3. Communicate audit findings with management and the Audit Committee; 4. Conclude the consolidated financial results for the results announcement and the audited consolidated financial statements contained in the Company's annual report.

The Audit Committee reviewed CCTH's proposed audit timetable, which provides sufficient time for each audit phase, including planning, fieldwork, review and completion, without undue compression. In assessing the reasonableness of the timetable, the Audit Committee took into account:

- the Group's year-end closing process and operational complexity;
- the sequencing of audit procedures across different business segments and locations; and
- the Listing Rules requirement for timely publication of the annual results.

CCTH has presented its overall audit strategy, audit plan and proposed timetable to the Audit Committee. The Audit Committee has reviewed and discussed the proposed audit plan and is satisfied that it is appropriate and sufficient for conducting a quality audit. CCTH confirmed that the audit will be conducted in accordance with the Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants and in compliance with applicable ethical requirements.

In performing the audit, CCTH will exercise professional judgement and maintain professional scepticism throughout the audit process. The proposed audit plan includes, among others, an assessment of the risks of material misstatement of the consolidated financial statements, an understanding and evaluation of relevant internal controls, and design and execution of audit procedures responsive to the identified risks. CCTH has identified key areas of audit focus based on its preliminary understanding of the Group's business and financial information, including revenue recognition, expected credit loss allowances and areas involved significant estimation and judgement.

CCTH confirmed that sufficient and appropriate audit resources will be allocated to meet the proposed timetable. The Audit Committee is satisfied that the proposed audit strategy, audit plan and timetable are reasonable and adequate for the incoming auditor to complete all necessary audit procedures without compromising audit quality, and that CCTH's committed resources are sufficient to support the audit engagement.

By order of the Board
Chu Ming Chuan
Chairman

Hong Kong, 30 June 2026

As at the date of this announcement, the executive directors of the Company are Mr. Chu Ming Chuan, Ms. Liu Yuk Ming and Ms. Lam Ching Fun; the independent non-executive directors of the Company are Mr. Chui Chi Yun Robert, Mr. Hong Sijie and Ms. Amporn Lohathanulert.