

**ANNOUNCEMENT OF QUALIFICATION OF AUDITED ACCOUNTS**

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The Board of Directors of Casa Holdings Limited (“the Company” and together with its subsidiaries, “the Group”) wishes to announce the following:

**Background**

The Group has a 14.12% (2022: 14.73%) shareholding interest in Fiamma Holdings Berhad (“Fiamma”), a company listed on the Main Board of Bursa Malaysia Securities Berhad. The accounts of Fiamma is audited by KPMG Malaysia, (“the Component Auditor”). The latest audited accounts of Fiamma as at 30 September 2022 are not qualified. The Group’s investment in an associated company, Fiamma Holdings Berhad (“Fiamma”) with the carrying amount of approximately \$18,401,000 as at 30 September 2023 (2022: \$17,218,000) is accounted for using the equity method in the consolidated statement of financial position of the Group. During the financial year ended 30 September 2023, the Group recognised share of Fiamma’s net profit of approximately \$2,779,000 (2022: \$1,729,000) and other comprehensive loss of approximately \$1,596,000 (2022: other comprehensive loss of \$732,000).

As at 20 March 2023, Fiamma’s Board of Directors has approved a change of financial year end from 30 September to 31 December.

In accordance to the Singapore Standard on Auditing (SSA) 600 Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors) provides that the group auditor is responsible for the direction, supervision and performance of the group audit engagement, (“SSA 600”).

In complying with SSA 600, CLA Global TS Public Accounting Corporation (“CLA Global”), the Group Auditor, discussed possibility of performing review of the audit working papers with the Component Auditor. The Component Auditor, was unable to comply with CLA Global’s request as they have not been engaged by Fiamma to perform audit for this period due to Fiamma’s change in the financial year end from 30 September to 31 December. The Component Auditor is then unable to cater to the CLA Global’s requirement to review the audit working paper as at 30 September 2023.

**Qualified Opinion**

On 20 December 2023, CLA Global TS issued a qualified audit opinion on the Company based on the following:

“The Group accounts for its investment in an associated company, Fiamma Holdings Berhad (“Fiamma”), using the equity method. Fiamma is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad. On 20 March 2023, the Board of Directors of Fiamma approved a change in the financial year end from 30 September to 31 December. Following this change, the forthcoming audited financial statements of Fiamma will cover a 15-month period from 1 October 2022 to 31 December 2023, which differs from the Group’s financial year end.

We were unable to obtain sufficient appropriate audit evidence necessary to provide us reasonable assurance about whether the unaudited financial statements of Fiamma, which have been equity accounted for in the consolidated financial statements of the Group for the financial year ended 30 September 2023, are free from material misstatement, whether due to fraud or error. Consequently, we were unable to determine if adjustments, if any, were necessary for the share of Fiamma’s net profit of \$2,779,000 and other comprehensive loss of \$1,596,000 recognised in the consolidated statement of comprehensive income for the financial year ended 30 September 2023, as well as the carrying amount of the investment in Fiamma amounting to \$18,401,000 recognised in the consolidated statement of financial position of the Group as at 30 September 2023.

### **Qualified Opinion (continued)**

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 Applicable to 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 qualified opinion.”

### **Going Forward**

In previous years, the Group Auditors and the Component Auditors were able to reach an agreement in complying with their respective regulatory and other requirements to allow access and perform a review on the audit working papers. Due to the change in the financial year end, the Component Auditors were not engaged by Fiamma to perform audit for the period as at 30 September 2023.

The Board is of the view that even though the Group has significant influence over Fiamma, it does not have authority over the Component Auditor to instruct them to assist the Group Auditor with the audit review process. Moving forward, the Group will continue to explore options and strategies that are most appropriate for the Company to undertake.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company’s securities. When in doubt, shareholders and potential investors are advised to seek independent advice from their bankers, stockbrokers, solicitors, or other professional advisers.

By order of the Board

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

22 December 2023