

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



CAA Resources Limited

優庫資源有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 02112)

PROFIT WARNING/INSIDE INFORMATION

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO (Chapter 571 of the laws of Hong Kong).

The Board wishes to inform the Shareholders and potential investors that based on the preliminary assessment of the Group's unaudited management accounts, the Group is expected to record a significant decrease in gross profit for the six months ended 30 June 2014 as compared to the same for the corresponding period in 2013.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made pursuant to Rule 13.09(2)(a) of The Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "**SFO**").

The board of directors (the "**Board**") of CAA Resources Limited (the "**Company**", together with its subsidiaries, the "**Group**") wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that based on the preliminary assessment of the Group's unaudited management accounts, the Group is expected to record a significant decrease in gross profit for the six months ended 30 June 2014 (the "**Period**") as compared to the same for the corresponding period in 2013. Such significant decrease is primarily attributable to the drop in the selling prices of iron ore products due to increasingly competitive market condition while there is considerable rise in cost of sales. The trading of iron ores products represented the

majority of the revenue during the Period. With lower gross profit margins than that of sales of self-produced iron ore products, higher proportion of trading of iron ore products inevitably impacted the Group's gross profit and gross profit margin for the Period. The sales volume of iron ore products increased compared to the same period last year, but was not sufficient to offset the adverse impact of the significant price fall and increased proportion of trading of iron ore products.

The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the information currently available, including the Group's unaudited management accounts, which have not been audited or reviewed by the auditors of the Company. As at the date of this announcement, the Group's results for the six months ended 30 June 2014 have not been finalised and are subject to necessary adjustments and thus the Board is not in a position to quantify the exact financial effects at this stage. Further details of the financial information of the Group will be disclosed in the interim results of the Group for the six months ended 30 June 2014 which will be published before the end of August 2014.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
CAA Resources Limited
Li Yang
Chairman and Chief Executive Officer

Hong Kong, 31 July 2014

As at the date of this announcement, the executive Directors are Mr. Li Yang, Ms. Li Xiaolan, Mr. Wang Er, Mr. Diao Dalin and Mr. Dong Jie, and the independent non-executive Directors are Mr. Kong Chi Mo, Dr. Li Zhongquan and Dr. Wang Ling.

** For identification only*