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CAA Resources Limited

優庫資源有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Joint Provisional Liquidators appointed)

(For restructuring purposes only)

(Stock Code: 02112)

HIGH CONCENTRATION OF SHAREHOLDING

This announcement is made at the request of Stock Exchange in respect of the high concentration of the shareholding of the Company in the hands of a limited number of Shareholders as at 23 May 2022.

In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors of the Company should be aware that the price of the shares of the Company (the “Shares”) could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.

This announcement is made by CAA Resources Limited (the “**Company**”) at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in respect of the high concentration of the shareholding of the Company in the hands of a limited number of shareholders of the Company (the “**Shareholder(s)**”) as at 23 May 2022.

HIGH CONCENTRATION OF SHAREHOLDING

The Company noted that an announcement (the “**SFC Announcement**”) was published by the Securities and Futures Commission (the “**SFC**”) on 10 June 2022.

As disclosed in the SFC Announcement, the SFC has recently completed an enquiry into the shareholding of the Company. The SFC’s findings suggested that, as at 23 May 2022, 18 Shareholders held an aggregate of 430,212,000 Shares, representing 28.68% of the issued Shares. Such shareholding, together with 956,577,000 Shares (representing 63.77% of the issued Shares) held by the Company’s two substantial Shareholders, represented 92.45% of the issued Shares as at 23 May 2022. Therefore, only 113,211,000 Shares (representing 7.55% of the issued Shares) were in the hands of other Shareholders.

According to the SFC Announcement, as at 23 May 2022, the shareholding structure of the Company was as follows:

	Number of Shares held <i>(Shares)</i>	% of total number of issued Shares <i>(%)</i>
Cosmo Field Holdings Limited (“ Cosmo ”) (<i>Note 1</i>)	843,750,000	56.25
Grace Generation Group Co. Limited (<i>Note 2</i>)	112,827,000	7.52
A group of 18 shareholders	430,212,000	28.68
Other shareholders	113,211,000	7.55
Total	<u><u>1,500,000,000</u></u>	<u><u>100.00</u></u>

Note 1: Mr. Li Yang is the beneficial owner of the entire issued share capital of Cosmo and is the Co-Chairman and Chief Executive Officer of the Company.

Note 2: Mr. Ng Khing Yeu is the sole shareholder of Grace Generation Group Co. Limited and is the Co-Chairman and Executive Director of the Company.

The SFC Announcement further stated that:

- (a) During the period from 4 February 2022 to 4 March 2022, the closing price of the Shares was within the range of HK\$0.103 to HK\$0.156 with an average daily turnover of HK\$106,537. Since then, the closing price of the Shares increased 712.5% from HK\$0.144 on 4 March 2022 to HK\$1.17 on 29 March 2022 with significant increase in average daily turnover to HK\$2,027,753. On 30 March 2022, the price of the Shares reached a high of HK\$1.30, then fell to a low of HK\$0.73 before closing at HK\$0.96 that day.
- (b) Since then, the closing price of the Shares hovered within the range of HK\$0.97 and HK\$0.81 between 31 March 2022 and 23 May 2022.
- (c) During the period from 1 March 2022 to 23 May 2022, the Company made the following announcements, amongst others:
 - On 18 March 2022, the Company issued a profit warning with expected loss of not less than US\$50 million and not more than US\$60 million for the year ended 31 December 2021, compared to a loss of US\$29.6 million for the year ended 31 December 2020.
 - On 23 March 2022, the Company announced that a petitioner has agreed to withdraw a winding up petition which was initially scheduled to be heard on 30 March 2022.
 - On 25 March 2022, Mr. Ng Khing Yeu was appointed as Co-Chairman and Executive Director of the Company.

- On 30 March 2022, the Company announced its unaudited annual results with a loss of US\$57 million for the year ended 31 December 2021 and capital deficiencies of US\$24,274,000 as at 31 December 2021.
 - On 29 April 2022, the Company announced its audited annual results with the same amount of loss for the year as that announced on 30 March 2022, with a disclaimer of opinion by the auditors in light of material uncertainties relating to going concern of the Company.
- (d) As at 9 June 2022, the closing price of the Shares was HK\$0.83, representing an increase of 476% from the closing price of HK\$0.144 on 4 March 2022.

The information above is extracted from the SFC Announcement and the board (the “**Board**”) of the directors (the “**Directors**”) of the Company has not independently verified such information. Accordingly, the Board is not in a position to comment on the accuracy of the above information except for (i) the shareholdings held by Cosmo Field Holdings Limited and Grace Generation Group Co. Limited based on the latest available disclosure of interests notices filed pursuant to Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); and (ii) the information set out in paragraph (a) to (d) above. Please refer to the SFC Announcement for more information.

PUBLIC FLOAT

Based on the information available and to the Directors’ best knowledge after making all reasonable enquiries, the Directors confirm that not less than 25% of the issued Shares were held in public hands as at 23 May 2022 and the date of this announcement, and the Company has maintained a sufficient public float as required under the Rules Governing the Listing of Securities on the Stock Exchange.

In view of the high concentration of shareholding in a small number of shareholders, shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares. Further, as a result of the high concentration of shareholding, the Company’s securities may not have a genuine market or its shareholding may have been concentrated in the hands of a few Shareholders.

By Order of the Board
CAA Resources Limited
Li Yang
Co-Chairman

Hong Kong, 10 June 2022

As at the date of this announcement, the executive Directors are Mr. Li Yang, Mr. Ng Khing Yeu, Ms. Li Xiaolan and Mr. Wang Er, and the independent non-executive Directors are Dr. Li Zhongquan, Dr. Wang Ling and Mr. Leung Yiu Cho.

* *For identification purpose only*