CAA Resources Limited
優庫資源有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 02112)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014

FINANCIAL HIGHLIGHTS

- The Group's revenue reached approximately USD152.3 million, representing 38.0% higher than USD110.4 million recorded in the year of 2013.

- The sales volume of iron ore products, on dry basis, for 2014 was approximately 1,390 Kt, representing 32.0% higher than 1,053 Kt recorded in 2013.

- The Group's gross profit reached approximately USD15.4 million, approximately 62.6% lower than the approximately USD41.1 million recorded in year of 2013.

- Profit for the year ended 31 December 2014 decreased by 88.8%, from approximately USD19.7 million for the year ended 31 December 2013 to approximately USD2.2 million for the year ended 31 December 2014.

- The Directors of the Company did not recommend the payment of final dividend for the year ended 31 December 2014.

- Basic earnings per Share for the year ended 31 December 2014 was US0.15 cents (2013: US1.51 cents).

* *For identification only*

The Board is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2014 ("the year under review") together with the comparative figures for the year ended 31 December 2013 as follows:

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 December 2014

	Notes	**2014** **USD'000**	2013 USD'000
REVENUE	3	**152,304**	110,372
Cost of sales		**(136,928)**	(69,263)
Gross profit		**15,376**	41,109
Other income and gain		**2,576**	52
Selling and distribution expenses		**(7,605)**	(8,500)
Administrative expenses		**(4,136)**	(6,052)
Other expenses		**(2,574)**	(1,314)
Finance costs	4	**(678)**	(91)
PROFIT BEFORE TAX	5	**2,959**	25,204
Income tax expense	6	**(753)**	(5,459)
PROFIT FOR THE YEAR		**2,206**	19,745
OTHER COMPREHENSIVE INCOME			
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(1,409)**	(1,532)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		**797**	18,213
Earnings per Share attributable to ordinary equity holders of the Company:			
Basic and diluted (US cents)	7	**0.15**	1.51

The Directors of the Company did not recommend the payment of final dividend for the year ended 31 December 2014. Details are disclosed in note 15 to the financial statements.

Consolidated Statement of Financial Position

31 December 2014

	Notes	2014 USD'000	2013 USD'000
NON-CURRENT ASSETS			
Property, plant and equipment		**27,335**	26,896
Mining rights and reserves		**14,994**	16,000
Payments in advance		**15,165**	16,713
Available-for-sale investment	8	**10,000**	—
Goodwill		**7,779**	8,271
Deferred tax assets		**297**	341
Total non-current assets		**75,570**	68,221
CURRENT ASSETS			
Inventories		**2,804**	5,583
Trade receivables	9	**36,289**	12,386
Prepayments, deposits and other receivables	10	**6,029**	9,033
Pledged deposits		**4,979**	989
Cash and cash equivalents		**10,430**	30,748
Total current assets		**60,531**	58,739
CURRENT LIABILITIES			
Trade payables	11	**2,925**	2,654
Other payables and accruals	12	**3,283**	1,194
Interest-bearing bank and other borrowings	13	**24,210**	3,793
Tax payable		**6,374**	10,367
Total current liabilities		**36,792**	18,008
NET CURRENT ASSETS		**23,739**	40,731
Total assets less current liabilities		**99,309**	108,952

	Notes	**2014**	2013
		USD'000	USD'000
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	13	**284**	692
Deferred tax liabilities		**3,629**	3,825
Provision for rehabilitation		**303**	281
Total non-current liabilities		**4,216**	4,798
Net assets		**95,093**	104,154
EQUITY			
Equity attributable to owners of the Company			
Issued capital	14	**1,934**	1,934
Reserves		**93,159**	92,362
Proposed final dividend	15	**—**	9,858
Total equity		**95,093**	104,154

Notes to Financial Statements
31 December 2014

1. CORPORATE INFORMATION

CAA Resources was incorporated as an exempted company with limited liability in the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company is located at Suite 5602, 56th Floor, The Center, 99 Queen's Road Central, Hong Kong.

During the year ended 31 December 2014, the Company and its subsidiaries were principally engaged in the business of mining, ore processing, sales of iron ore products and other commodities to steel manufacturers and/or their respective purchase agents in China as well as investment holding.

In the opinion of the Directors of the Company, the holding company and the ultimate holding company of the Company is Cosmo Field, which is incorporated in the BVI.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which comprise standards and interpretations approved by the International Accounting Standards Board (the "IASB") and International Accounting Standards ("IASs") and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee that remain in effect. These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance relating to the preparation of financial statements, which for this financial year and the comparative period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. The financial statements have been prepared under the historical cost convention. These financial statements are presented in USD and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2014. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained earnings, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised standards and new interpretation for the first time for the current year's financial statements.

Amendments to IFRS 10, IFRS 12 and IAS 27	*Investment Entities*
Amendments to IAS 32	*Offsetting Financial Assets and Financial Liabilities*
Amendments to IAS 36	*Recoverable Amount Disclosures for Non-Financial Assets*
Amendments to IAS 39	*Novation of Derivatives and Continuation of Hedge Accounting*
IFRIC 21	*Levies*
Amendment to IFRS 2 included in *Annual Improvements 2010-2012 Cycle*	*Definition of Vesting Condition*[1]
Amendment to IFRS 3 included in *Annual Improvements 2010-2012 Cycle*	*Accounting for Contingent Consideration in a Business Combination*[1]

[1] Effective from 1 July 2014

The adoption of the above revised standards and new interpretation has had no significant financial effect on these financial statements.

2.3 NEW AND REVISED IFRSs AND NEW DISCLOSURE REQUIREMENTS UNDER THE HONG KONG COMPANIES ORDINANCE NOT YET ADOPTED

The Group has not applied the following new and revised IFRSs, which have been issued but are not yet effective, in these financial statements.

IFRS 9	*Financial Instruments*[4]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[2]
Amendments to IFRS 10, IFRS 12 and IAS 28	*Investment Entities: Applying the Consolidation Exception*[2]
Amendments to IFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*[2]
IFRS 14	*Regulatory Deferral Accounts*[5]
IFRS 15	*Revenue from Contracts with Customers*[3]
Amendments to IAS 1	*Disclosure Initiative*[2]
Amendments to IAS 16 and IAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*[2]
Amendments to IAS 16 and IAS 41	*Agriculture: Bearer Plants*[2]
Amendments to IAS 19	*Defined Benefit Plans: Employee Contributions*[1]
Amendments to IAS 27	*Equity Method in Separate Financial Statements*[2]
Annual Improvements 2010-2012 Cycle	Amendments to a number of IFRSs[1]
Annual Improvements 2011-2013 Cycle	Amendments to a number of IFRSs[1]
Annual Improvements 2012-2014 Cycle	Amendments to a number of IFRSs[2]

1 Effective for annual periods beginning on or after 1 July 2014

2 Effective for annual periods beginning on or after 1 January 2016

3 Effective for annual periods beginning on or after 1 January 2017

4 Effective for annual periods beginning on or after 1 January 2018

5 Effective for an entity that first adopts IFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group

In addition, the Hong Kong Companies Ordinance (Cap. 622) will affect the presentation and disclosure of certain information in the consolidated financial statements for the year ending 31 December 2015. The Group is in the process of making an assessment of the impact of these changes.

Further information about those IFRSs that are expected to be applicable to the Group is as follows:

In July 2014, the IASB issued the final version of IFRS 9, bringing together all phases of the financial instruments project to replace IAS 39 and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group expects to adopt IFRS 9 from 1 January 2018. The Group expects that the adoption of IFRS 9 will have an impact on the classification and measurement of the Group's financial assets. Further information about the impact will be available nearer the implementation date of the standard.

IFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under IFRSs. The Group expects to adopt IFRS 15 on 1 January 2017 and is currently assessing the impact of IFRS 15 upon adoption.

Amendments to IAS 16 and IAS 38 clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are to be applied prospectively. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 January 2016 as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

3. REVENUE AND OPERATING SEGMENT INFORMATION

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold and the values of service rendered.

During the year ended 31 December 2014, the Group's revenue and contribution to profit are mainly derived from its sale of iron ore products and other commodities including steam coal and copper cathodes, which is regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's senior management for purposes of resource allocation and performance assessment. Accordingly, no segment analysis is presented other than entity-wide disclosures.

Entity-wide disclosures

Information about products and services

The following table sets forth the total revenue from external customers from sales of products and the rendering of services during the year:

	2014	2013
	USD'000	USD'000
Sales of goods:		
Iron ore products	**134,311**	107,873
Steam coal	**15,110**	—
Copper cathodes	**2,883**	—
	152,304	107,873
Rendering of services	**—**	2,499
	152,304	110,372

Geographical information

The following table sets out information about the geographical locations of the Group's revenue from external customers during the year. The geographical locations of customers are determined based on the locations designated by the customers at which the goods were delivered or services were rendered.

	2014	2013
	USD'000	USD'000
Domestic – Malaysia*	**—**	2,499
Overseas – The People's Republic of China	**152,304**	107,873
	152,304	110,372

*   Place of domicile of the Group's principal subsidiary, Capture Advance.

At the end of the reporting period, except for certain motor vehicles and office furniture located in Hong Kong and Mainland China with respective net carrying amounts of USD173,000 (2013: USD214,000) and USD464,000 (2013: Nil), all of the Group's non-current assets were located in Malaysia.

Information about major customers

Revenue from each of the major customers, which amounted to 10% or more of the total revenue, is set out below:

	2014	2013
	USD'000	USD'000
Customer A	**90,722**	18,084
Customer B	**61,582**	78,435

4. FINANCE COSTS

An analysis of finance costs is as follows:

	2014	2013
	USD'000	USD'000
Interest on bank loans	**598**	2
Interest on hire purchase arrangements	**58**	68
Unwinding of discount on provision	**22**	21
	678	91

5. PROFIT BEFORE TAX

The Group's profit before tax was arrived at after charging/(crediting):

	2014 USD'000	2013 USD'000
Cost of inventories sold	**136,928**	66,913
Cost of services provided	**—**	2,350
Employee benefit expense (including Directors' and chief executive's remuneration) :		
Wages and salaries	**1,523**	1,583
Pension scheme contributions		
– Defined contribution scheme	**32**	32
Welfare and other benefits	**72**	52
Total employee benefit expense	**1,627**	1,667
Depreciation	**2,119**	1,533
Amortisation of intangible assets	**34**	75
Depreciation and amortisation expenses	**2,153**	1,608
Minimum lease payments in respect of:		
Land	**43**	78
Machinery	**150**	164
Office	**230**	130
Auditors' remuneration	**426**	339
Listing fee expensed off	**—**	2,826
Gain on disposal of items of property, plant and equipment*	**(16)**	(45)
Interest income*	**(752)**	(6)
Dividend income from available-for-sale Investment*	**(1,800)**	—
Foreign currency losses, net**	**1,669**	1,294
Tax surcharges**	**634**	—

* These are included in "Other income and gain" in the consolidated statement of profit or loss and other comprehensive income.

** These are included in "Other expenses" in the consolidated statement of profit or loss and other comprehensive income.

6. INCOME TAX

Pursuant to the rules and regulations of the Cayman Islands and BVI, the Group was not subject to any income tax in the Cayman Islands and BVI.

Pursuant to the income tax rules and regulations in Malaysia, the subsidiaries located in Malaysia are liable to Malaysia corporate income tax at a rate of 25% (2013: 25%) on the assessable profits generated during the year.

Hong Kong profits tax has been provided at the rate of 16.5% (2013: 16.5%) on the assessable profits arising in Hong Kong during the year.

The major components of income tax expense are as follows:

	2014	2013
	USD'000	USD'000
Group:		
Current – Charge for the year		
Hong Kong	**712**	4,975
Malaysia	**—**	468
Overprovision in prior years	**(28)**	—
Deferred	**69**	16
Total tax charge for the year	**753**	5,459

A reconciliation of income tax expense applicable to profit before taxation at the statutory rates for the countries in which the Company and its subsidiaries are domiciled to the tax expense at the effective tax rates is as follows:

	2014	2013
	USD'000	USD'000
Profit before tax	**2,959**	25,204
Tax at the statutory tax rate of 16.5%	**499**	3,490
Tax at the statutory tax rate of 25%	**(16)**	1,013
Tax losses not recognised	**409**	36
Income not subject to tax	**(297)**	—
Adjustments in respect of current tax of prior years	**(28)**	—
Expenses not deductible for tax	**186**	920
Tax charge at the Group's effective tax rate	**753**	5,459

7. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to owners of the Company, and the weighted average number of ordinary Shares of 1,500,000,000 (2013: 1,310,959,000) in issue during the year.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2014 and 2013 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those years.

8. AVAILABLE-FOR-SALE INVESTMENT

	Group	
	2014	2013
	USD'000	USD'000
Unlisted equity investment, at cost	**10,000**	—

The unlisted equity investment represented the Group's investment in Fortune Union Financial Holdings (Asia Pacific) Limited, particulars of which are set out in the Company's announcement dated 16 May 2014. It is stated at cost less impairment because the range of reasonable fair value estimates is so significant that the Directors are of the opinion that its fair value cannot be measured reliably. The Group does not intend to dispose of the investment in the near future.

9. TRADE RECEIVABLES

	Group	
	2014	2013
	USD'000	USD'000
Trade receivables	**36,289**	8,097
Irrevocable letter of credit	**—**	4,289
	36,289	12,386

The Group normally accepts settlement by way of irrevocable letter of credit or telegraphic transfer. The Group may sometimes request customers, including its trading customers, to pay deposit upon signing sales contracts with the Group. During the year, the Group granted credit periods of three to four months to its major customers. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	Group	
	2014	2013
	USD'000	USD'000
Within 3 months	**24,113**	12,386
3 to 4 months	**12,176**	—
	36,289	12,386

At the end of the reporting period, all trade receivables were neither past due nor impaired.

10. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Group	
	2014	2013
	USD'000	USD'000
Other receivables	**163**	213
Prepayments to a mining subcontractor	**3,477**	6,123
Dividend receivable	**1,800**	—
Other prepayments and deposits	**589**	2,697
	6,029	9,033

11. TRADE PAYABLES

An aged analysis of trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	Group	
	2014	2013
	USD'000	USD'000
Within 3 months	**2,739**	2,654
3 to 6 months	**9**	—
6 months to 12 months	**167**	—
Over 1 year	**10**	—
	2,925	2,654

Trade payables are non-interest-bearing and are normally settled within 2 to 3 months.

12. OTHER PAYABLES AND ACCRUALS

	Group	
	2014	2013
	USD'000	USD'000
Other payables	**2,222**	811
Accruals	**958**	241
Payroll and welfare payable	**103**	142
	3,283	1,194

All other payables of the Group are non-interest-bearing and unsecured.

13. INTEREST-BEARING BANK AND OTHER BORROWINGS

Group

	2014			2013		
	Effective interest rate (%)	**Maturity**	**USD'000**	Effective interest rate (%)	Maturity	USD'000
Current						
Bank loans – secured (note (a))	**2.32-3.73**	**2015**	**22,861**	3.10-3.14	2014	3,314
Bank loans-unsecured (note (d))	**2.49-5.22**	**2015**	**817**	—	—	—
Hire purchase arrangements (note (b))	**2.36-6.90**	**2015**	**532**	2.36-6.90	2014	479
			24,210			3,793
Non-current						
Hire purchase arrangements (note (b))	**2.36-6.90**	**2016-2020**	**284**	2.36-6.90	2015-2019	692
			24,494			**4,485**

Analysed into:

	2014	2013
	USD'000	USD'000
Bank loans repayable:		
Within one year	**23,673**	3,314
Hire purchase arrangements repayable:		
Within one year	**537**	479
In the second year	**173**	403
In the third to fifth years, inclusive	**100**	283
In the sixth year	**11**	6
	821	1,171
	24,494	4,485

Notes:

(a) As at 31 December 2014, the bank loans of the Group were secured by the pledged bank balances of USD4,979,000 (2013: USD989,000).

(b) The Group acquired certain of its motor vehicles and machinery through hire purchase arrangements, which are classified as finance leases and have remaining lease terms ranging from one to six years. As at 31 December 2014, payables relating to the hire purchase arrangements were secured by the corresponding motor vehicles and machinery acquired with an aggregate carrying amount of USD1,321,000 (2013: USD1,025,000).

(c) During the year, the Group entered into hire purchase arrangements in respect of property, plant and equipment with a total capital value at the inception of the leases of USD72,000 (2013: USD857,000).

(d) As at 31 December 2014, bank loans of USD817,000 (2013: nil) of China Bright Mining Limited, an indirect wholly-owned subsidiary of the Company, were guaranteed by the Company at nil consideration.

(e) Except for the hire purchase arrangements which were denominated in RM, all borrowings are in United States dollars.

At 31 December 2014, the total future minimum lease payments under hire purchase arrangements and their present values were as follows:

Group

	Minimum lease payments 2014 USD'000	Minimum lease payments 2013 USD'000	**Present value of minimum lease payments 2014 USD'000**	Present value of minimum lease payments 2013 USD'000
Amounts payable:				
Within one year	**563**	531	**532**	479
In the second year	**182**	430	**173**	403
In the third to fifth years, inclusive	**104**	298	**100**	283
In the sixth year	**12**	7	**11**	6
Total minimum hire purchase payments	**861**	1,266	**816**	1,171
Future finance charges	**(40)**	(95)		
Total net hire purchase payables	**821**	1,171		
Portion classified as current liabilities	**(537)**	(479)		
Non-current portion	**284**	692		

Management has assessed that the fair values of the above interest-bearing bank and other borrowings approximate to their carrying amounts. The fair value measurement hierarchy of the above interest-bearing bank and other borrowings requires significant observable inputs (Level 2).

14. SHARE CAPITAL

Shares

	2014	2013
	USD'000	USD'000
Authorised:		
3,000,000,000 (2013: 3,000,000,000) ordinary shares of HK$0.01 each	**3,867**	3,867
Issued and fully paid:		
1,500,000,000 (2013: 1,500,000,000) ordinary shares of HK$0.01 each	**1,934**	1,934

15. DIVIDENDS

(a) Dividends attributable to the year

At a meeting of the Directors held on 23 March 2015, the Directors do not recommend a final dividend for the year ended 31 December 2014 (2013: HK5.1 cents per share).

(b) Dividends attributable to the previous financial year, declared and paid during the year

	USD'000
Final dividend in respect of the financial year ended 31 December 2013 of HK5.1 cents per Share	
Declared during the year	9,858
Paid during the year	(9,858)
	—

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW AND OUTLOOK

Last year was no doubt a turning point for iron ore market. Although the slowdown of economic development of Mainland China from full speed was a foregone conclusion, and Platts 62% Iron Ore Index fell 46.65% from approximately 134.50 in the beginning of the year to 71.75 at the end of the year, the demand for import iron ore in China did not shrink accordingly. It has been reported that the amount of iron ore imported to China in 2014 reached 0.933 billion tonnes (2013: 0.820 billion tonnes), represented a year-on-year growth of 13.8%. China's dependence on iron ore imports further rose to 78.5%, represented a year-on-year growth of 9.7%. In addition, factors such as the decrease in international prices of raw material also led to the significant fall in the prices of iron ore, allowing the supply of imported iron ore to further replace that of domestic ore.

Meanwhile, the overall prices of finished materials in China decreased significantly. For example, the decrease of the billet price during the year amounted to RMB 530 per tonne, and the maximum decrease was RMB 630 per tonne. The export of steel from China decreased during the year, indirectly increasing the domestic supply of steel in China. Domestic steel traders generally experienced problems of cash flow chain. The steel mills faced significant financial pressure. In order to control the costs, the steel mills can only transfer their pressure to the raw material suppliers.

Looking ahead into 2015, from the demand-supply equilibrium, the slowdown of the economic growth of China will undoubtedly reduce the consumption of steel materials. As the supply of low cost iron ore around the world is higher than the demand, the sluggish condition of iron ore price is likely to sustain.

On the other hand, the policies of the "One Belt and One Road" Plan, facilitated China to actively export high-speed rail technologies and products to Southeast Asia, Central Asia and Central and Eastern Europe. In addition the railroad development along Western China and the Silk Road economic zone will lead to the recovery of the demand for iron and steel and iron ore in China in future. Therefore China is still the major market that the Group devoted in developing. However, under such sluggish condition of international iron ore pricing, the control over production cost becomes crucial to profit. In order to thrive in such hasty changing market, the Group will continue to optimize its products, effectively control its costs and develop diversified businesses.

BUSINESS AND OPERATIONS REVIEW

Major operating results

Although the international prices of the commodity generally decreased during the year under review, the Group benefited from an increased demand for imported iron ore from customers in China and thus growth in both sale volume and revenue were recorded comparing to 2013.

For the year ended 31 December 2014, the Group's sales revenue soared 38.0% to approximately USD152.3 million (2013: approximately USD110.4 million). Sales volume of iron ore products surged 32.0% to approximately 1,390 Kt on dry basis (2013: approximately 1,053 Kt). Products sold had average iron ore grades of 61.6% (2013: 56.6%), with average selling price of iron one products on dry basis at USD97 per tonne (2013: USD103 per tonne).

As a result of drastic drop of international iron ore prices, the Group recorded decrease in gross profit by 62.6% in 2014 to USD15.4 million compared to USD41.1 million in 2013. The gross profit margin for 2014 dropped to 10.1% (2013: 37.2%). The Group's profit for the year decreased by 88.8% from USD19.7 million in 2013 to USD2.2 million, mainly as a result of the drop in international iron ore prices, market competition and the rise in costs. Basic earnings per Share for the year 2014 was US0.15 cents (2013: US1.51 cents).

The sales analysis for the Group is as follows:

	For the year ended 31 December 2014	For the year ended 31 December 2013	Change
Sales Revenue	**USD152,304,000**	USD110,372,000	+38.0%
– Iron Ore [note 1]	**USD134,311,000**	USD107,873,000	+24.5%
– Other Commodities [note 2]	**USD17,993,000**	–	–
Service income	**–**	2,499,000	-100%
Sales Volume (dry basis)			
– Iron Ore	**1,390,000 tonnes**	1,053,000 tonnes	+32.0%
– Other Commodities	**207,000 tonnes**	–	–
Gross Profit	**USD15,376,000**	USD41,109,000	-62.6%
Gross Profit Margin	**10.1%**	37.2%	-27.1 percentage points

Note 1: At present, the major products for the Group are iron ore products, including iron ore products generated from Ibam Mine and other trading activities.

Note 2: Steam coal and copper cathodes.

Project Ibam

The Group's principal mining site is Project Ibam, which is one of the most resources rich mine with high iron content in Malaysia. Based on the "Independent Technical Report" (see Appendix IV of the Prospectus of the Company for full report) there is approximately 151 Mt of ore resource at a grade higher than or equal to 35%, with an average grade of 46.5% total iron. It has a mine life expected to be more than 26 years. The Group uses the open-pit mining method to simplify operations and reduce production costs. The Group produces iron ore products through a relatively low-cost process which includes ball-milling, magnetic separation process and dewatering. The method is environmentally friendly as it does not require chemical additives and reduces the amount of waste water produced.

In light of the market conditions, the Group did not purchase additional beneficiation lines or crushing lines during the year under review. As at 31 December 2014, the Group had a total of nine beneficiation lines, and a total of seven crushing lines, the annual mining volume of Project Ibam reached 0.9 Mt (2013: 1.2 Mt). Project Ibam accounted for about 11.7% of the Group's total revenue.

The following table indicates the mining volume and production volume of iron ore products produced from Ibam Mine:

	For the year ended 31 December 2014	For the year ended 31 December 2013	Change
Mining Volume	**0.9 Mt**	1.2 Mt	-25.0%
Production Volume	**208.2 Kt**	639.2 Kt	-67.4%

Total mining volume and crushed of Ibam Mine for the year ended 31 December 2014 was 865,887 tonnes, as set out below:

Quarter ended	**Quarterly Ore mined and crushed (tonnes)**	**Average Fe Grade (%)**
31 March 2014	344,050	44.7
30 June 2014	79,005	45.0
30 September 2014	87,407	47.0
31 December 2014	355,425	49.0

During the year under review, no exploration activities were carried out at the Ibam Mine.

For details of the Company's update during the year with respect to completing the alteration of the tailings pond at Ibam Mine, please refer to the Company's announcement on 27 January 2014.

Business Strategies

Adjustment of existing businesses strategies

Given that the ever-falling price of iron ore in the international market posed extreme challenges to the operation of the Group, for the time being and the foreseeable future, the Group is cautious about the prospects of the international iron ore market. Therefore the Group would carefully evaluate the opportunity in acquiring other iron ore mines in Malaysia. The Group did not acquire any other mines during the year under review.

Despite the challenges in the macro-economic environment, the Group still insisted in replacing and substituting the equipment at the mining area, so as to maintain the competitiveness of the Group in the market. The Group also made corresponding strategic adjustment on its businesses. During the period when the equipment are being replaced and substituted, the sales of iron ore was conducted with relatively more aggressive trading terms whilst costs were also proactively under control. This resulted in the sales of the Group in 2014 still achieving considerable growth to assure that the Group is still profitable. However, those measures temporarily set off the gross profit margin for this year.

The Group conducted technology upgrade to certain production lines of the Project Ibam so as to produce pelletizing iron powder of better quality, low impurities, low energy consumption, environmentally friendly, strong market demand and prices that are better than ordinary iron powder, which is super fine powder with iron content of 66% and more. This will increase the quality of the products so that the revenue and profit of the Group will further grow.

Diversified business development

Apart from the existing business at Ibam Mine, the Group is now actively exploring other sources of income and earnings so as to maximize the interests of Shareholders. This will allow our businesses to develop in diversified directions and reduce the risks of a single business. One of the development strategies is to merge and acquire a series of other businesses so that the scope of businesses becomes more diversified. This will bring opportunities to the sustainable development of the Group in the long term.

On 16 May 2014, 3W Development, an indirect wholly-owned subsidiary of the Company in Hong Kong and Spread Wealth Investments Limited, an Independent Third Party, entered into an equity transfer agreement. Pursuant to the equity transfer agreement, the purchaser conditionally agreed to acquire and the vendor conditionally agreed to dispose of 10 million ordinary share with par value of USD1 each, being approximately 14.2857% interest in the issued and paid-up capital of Fortune Union Financial Holdings (Asia Pacific) Limited ("Target Company"), at a consideration of US$10,000,000 (equivalent to approximately HK$77,500,000). The wholly-owned subsidiary of the Target Company is engaged in, among other things, equipment leasing business in Chongqing, China.

FINANCIAL REVIEW

Revenue

During the year, the Group's revenue reached approximately USD152.3 million, representing 38.0% higher than the amount of USD110.4 million recorded in the year of 2013. The increase in revenue was mainly brought by higher sales volume of the Group's iron ore products which was mainly attributable to growing demand in China's iron ore import market. The sales volume of iron ore on dry basis for the year under review was approximately 1,390 Kt, representing 32.0% higher than 1,053 Kt in 2013. The average selling price (dry basis) of the iron ore products for the year was USD96.6 per tonne (2013: USD102.7). The reasons for the decrease were the significant dropping of international iron ore price and the market competition.

In addition to sales of iron ore products which was approximately USD134.3 million for the year (2013: USD107.9 million), the Group did not record any beneficiation service income during the year under review (2013: USD2.5 million). The decrease in service income was mainly due to the termination of cooperation with Esperance Mining Sdn. Bhd. since April 2013. In order to meet customers' needs, the Group also conducted trading of steam coal and copper cathodes during the year under review, generating a sales revenue of approximately USD18.0 million (2013: Nil). Revenue from the PRC and Malaysia was approximately USD152.3 million and zero for the year respectively (2013: USD107.9 million and USD2.5 million respectively). Revenue from Malaysia for 2013 represented the beneficiation service rendered in Esperance Mine.

Cost of Sales

During the year under review, the Group's cost of sales reached approximately USD136.9 million, about 97.5% higher than the approximately USD69.3 million recorded for the year 2013. The cost of sales primarily comprises ore production cost, service fee to mining contractor, mining fee paid to the registered holder of mining lease of the Ibam Mine, service fee to processing contractor and purchase costs of crude iron ore and other commodity for trading purpose and their freight costs to destination ports. During the year, the average unit cost of iron ore was USD85.9 per dry tonne basis, 34.9% higher than that of last year at USD63.7 per dry tonne basis. The reasons for the increase in unit cost of iron ore were (i) more trading business activities conducted during the year, which included freight costs to destination ports; and (ii) increased unit production costs as a result of decreased production volume.

Gross Profit and Margin

During the year under review, the Group's gross profit reached approximately USD15.4 million, about 62.6% lower than the approximately USD41.1 million recorded in year of 2013. The gross profit margin for the year ended 31 December 2014 was 10.1%, lower than that of last year at 37.2%. The decrease was mainly due to the dropping of international iron ore price, price competition and more trading business conducted compared with last year.

Selling and Distribution Expenses

During the year, the Group's selling and distribution expenses reached approximately USD7.6 million, about 10.6% lower than the approximately USD8.5 million recorded for 2013. The decrease was mainly due to the majority cost in freight transport between the mining site and the destination ports assigned by the clients in relation to trading business was included in the costs of goods sold. Such decrease was partially offset by increased marketing fee.

Administrative Expenses

During the year, the Group's administrative expenses reached approximately USD4.1 million, about 32.8% lower than the approximately USD6.1 million in the year of 2013. The decrease was mainly due to no Listing expenses were recorded during the year under review (2013: USD2.8 million).

Finance Costs

During the year, the Group's finance costs reached approximately USD0.7 million, about 600% higher than the approximately USD0.1 million in the year of 2013. The increase was mainly attributable to the increase of bank and other borrowings.

Income Tax Expenses

During the year, the Group's income tax expense reached approximately USD0.8 million, about 85.5% lower than the approximately USD5.5 million in the year of 2013. The effective tax rate was 25.4% in comparing with 21.7% of last year. The increase in effective tax rate was mainly due to deferred tax assets in relation to certain taxation loss recorded in certain offshore subsidiaries was not recognised for taxation during the year, and the amount is higher than that of the non-taxable dividend income.

Profit for the Year

As a result of the operating activities, profit for the year ended 31 December 2014 decreased by 88.8%, from approximately USD19.7 million for the year ended 31 December 2013 to approximately USD2.2 million for the year ended 31 December 2014.

The net profit margin decreased from 17.9% for the year ended 31 December 2013 to 1.4% for the year ended 31 December 2014.

Total Comprehensive Income Attributable to Owners of the Company

Total comprehensive income attributable to owners of the Company decreased by 95.6%, from approximately USD18.2 million for the year ended 31 December 2013 to approximately USD0.8 million for the year ended 31 December 2014. The decrease was greater than the percentage decrease in profit for the year, which was due to foreign exchange loss arising from translation of foreign operations of approximately USD1.4 million recorded during the year (2013: USD1.5 million).

Final Dividend

The Directors did not recommend the payment of any final dividend for the year ended 31 December 2014 (2013: HK5.1 cents per Share).

CLOSURE OF REGISTER OF MEMBERS

The AGM of the Company is scheduled on 19 June 2015. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Wednesday, 17 June 2015 to Friday, 19 June 2015, both days inclusive, during which period no transfer of Shares will be effected. In order to be eligible to attend and vote at the AGM, all transfer of shares, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Tuesday, 16 June 2015.

LIQUIDITY AND CAPITAL RESOURCES

The total equity of the Group as at 31 December 2014 was approximately USD95.1 million (31 December 2013: USD104.2 million). The Group generally finances its operation with internally generated cash flow and interest-bearing loans and borrowings. Primary uses of funds during the year included settlement of operating expenses, payment of available-for-sale investment and purchase of items of property, plant and equipment. As at 31 December 2014, current assets of approximately USD60.5 million primarily comprised USD2.8 million of inventory, USD36.3 million of trade receivables, USD6.0 million of prepayments, deposits and other receivables, and USD15.4 million of cash and cash equivalents. Current liabilities of approximately USD36.8 million mainly comprised USD2.9 million of trade payables, USD24.2 million of interest-bearing bank and other borrowing, and USD6.4 million of tax payable. Current ratio, being total current assets to total current liabilities was 1.6 as at 31 December 2014 (31 December 2013: 3.3). Although the liquidity position has deteriorated, the Group has sufficient financial resources to finance its business and to meet its working capital requirements.

As at 31 December 2014, the Group had certain interest-bearing bank and other borrowings of USD24.5 million in total (31 December 2013: USD4.5 million). The bank and other borrowings were used to finance the issuance of letter of credit and purchase of machinery and motor vehicles.

Cash and Cash Equivalents

Cash and cash equivalents of the Group in 2014 decreased by approximately USD20.3 million compared to 2013.

Detailed cash flow analysis is as follows:

	For the year ended 31 December	
	2014	2013
Cash and cash equivalents in the consolidated statement of cash flow at beginning of year	**30,748**	1,861
Net cash flows (used in)/from operating activities	**(14,010)**	2,322
Net cash flow used in investing activities	**(15,657)**	(35,412)
Net cash flows from financing activities	**9,610**	62,091
Net (decrease)/increase in cash and cash equivalents	**(20,057)**	29,001
Effect of foreign exchange rate changes, net	**(261)**	(114)
Cash and cash equivalents as stated in the consolidated statement of cash flows at end of year	**10,430**	30,748

Net Cash Flows from Operating Activities

The Group's net cash flows from operating activities changed from approximately USD2.3 million inflow for the year ended 31 December 2013 to approximately outflow of USD14.0 million for the year ended 31 December 2014. It primarily included the profit before tax of USD3.0 million and the outflow of cash was mainly contributed by the increase in trade receivables of approximately USD23.9 million and income tax paid of approximately USD4.7million.

Net Cash Flows used in Investing Activities

The Group's net cash flows used in investing activities decreased by 55.6%, from approximately USD35.4 million for the year ended 31 December 2013 to approximately USD15.7 million for the year ended 31 December 2014. It primarily included the purchase of items of property, plant and equipment of approximately USD2.4 million; increase in pledged bank deposit by approximately USD4.0 million and payment for acquiring available-for-sale investment of USD10 million.

Net Cash Flows from Financing Activities

The Group's net cash flows from financing activities significantly decreased by 84.5%, from approximately USD62.1 million for the year ended 31 December 2013 to approximately USD9.6 million for the year ended 31 December 2014. The substantial decrease is primarily due to the proceeds of approximately USD59.3 million from the IPO in 2013. During the year, cash inflows from financing activities mainly include the net proceeds from borrowings of approximately USD20.4 million, partially offset by the payment of 2013 final dividend of approximately USD9.9 million.

Inventories

The Group's inventories decreased by 50.0%, from approximately USD5.6 million as at 31 December 2013 to approximately USD2.8 million as at 31 December 2014. It is primarily because of enhancement of inventory management resulting in more flexible production planning and more trading business conducted that shortened the inventory turnover days from 18 days last year to 11 days.

Trade Receivables

The Group's trade receivables significantly increased by 192.7%, from approximately USD12.4 million as at 31 December 2013 to approximately USD36.3 million as at 31 December 2014. Trade receivable turnover days were approximately 58 days (2013: 22 days). The longer trade receivable turnover days was recorded since the credit periods of certain goods are prolonged to 120 days, in order to cope with the sluggish market conditions and sustain market competitiveness.

Major customers were granted credit on open account basis or allowed to settle by documentary letter of credit. However payment in advance is still required for new customers. Overdue balances are reviewed regularly by senior management, if any. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

Prepayments, deposits and other receivables

The Group's prepayments, deposits and other receivables decreased by 33.3% from approximately USD9.0 million as at 31 December 2013 to approximately USD6.0 million as at 31 December 2014. Prepayments during the year primarily include prepayments made to the Group's major subcontractor for mining and processing costs amounting to approximately USD3.5 million.

Trade Payables

The Group's trade payables increased by 7.4% from approximately USD2.7 million as at 31 December 2013 to approximately USD2.9 million as at 31 December 2014, which was mainly due to the increase in purchase of iron ore products to cope with the increase in sale during the year under review.

Net Current Assets Position

The Group's net current assets position was deteriorated during the year, from net current assets of approximately USD40.7 million as at 31 December 2013 to net current assets of approximately USD23.7 million as at 31 December 2014, primarily attributable to significant increase in interest-bearing bank and other borrowings.

Borrowings

As at 31 December 2014, the Group's borrowings mainly included: (i) secured bank loans of USD22.9 million with an annual interest rate ranging from 2.32% to 3.73%; (ii) unsecured bank loans of USD0.8 million with an annual interest rate ranging from 2.49% to 5.22%;and (iii) hire purchase arrangements for motor vehicles and equipment of USD0.5 million with an annual interest rate ranging from 2.36% to 6.90%.

Contingent Liabilities

As at 31 December 2014, the Group did not have any material contingent liabilities.

Foreign Currency Risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than our functional currency.

The Group's businesses are located in Malaysia and its operating transactions are conducted in RM. Most of its assets and liabilities are denominated in RM, except for certain payables to professional parties and administrative expenses in the Hong Kong office that are denominated in HKD, and the bank loan obtained that are denominated in USD. The Group has not entered into any hedging transaction to manage the potential fluctuation in foreign currencies. The following table demonstrates the sensitivity at the end of each of the relevant periods to a reasonably possible change in the RM exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

	Increase/ (decrease) in RM rate	Increase/ (decrease) in profit before tax USD'000
31 December 2014		
If the US dollar weakens against RM	5%	1,444
If the US dollar strengthens against RM	(5%)	(1,444)
31 December 2013		
If the US dollar weakens against RM	5%	1,751
If the US dollar strengthens against RM	(5%)	(1,751)

During the year ended 31 December 2014 exchange loss arising from translation of foreign operations between RM and USD was approximately USD1.4 million.

Interest Rate Risk

The Group's income and operating cash flows were not substantially affected by changes in market interest rates. The Group has no significant interest-bearing assets, except for cash and cash equivalents. The Group had no significant interest rate exposure arising from its interest-bearing loans since the interest rates of all of its interest-bearing loans were fixed. In addition, the Group has not used any interest rate swap to hedge against interest rate risk.

Pledge of Assets

Motor vehicles and machinery with an aggregate net carrying amount approximate to USD1,321,000 (2013: USD1,025,000) were pledged to secure hire purchase arrangements entered into by the Group at 31 December 2014. As of 31 December 2014, bank deposits of USD4,979,000 (2013: USD989,000) were pledged to secure bank loans granted to the Group.

Contractual Obligations

As at 31 December 2014, the Group's contractual obligations amounted to approximately USD67.0 million, and decreased by USD5.2 million as compared to approximately USD72.2 million as at 31 December 2013.

Capital Expenditure

During the year, the Group's total capital expenditure decreased by USD23.4 million from approximately USD35.9 million in 2013 to approximately USD12.5 million in 2014. The major capital expenditure consisted of payment to acquiring available-for-sale investment of USD10 million, acquisition of machinery, construction in progress and purchase of other tangible assets for office in Hong Kong and Malaysia aggergreate to USD2.5 million.

Gearing Ratio

The Group is currently funding its capital expenditure through internal generated funds from its operations and new bank borrowings. The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. Net debt is defined as interest-bearing bank loans, net of cash and bank balances and it excludes liabilities incurred for working capital purposes. Equity includes equity attributable to the owners of the Company and non-controlling interests.

The Group's gearing ratio as at 31 December 2014 was 8.7% (2013: N.A.).

RESOURCE AND RESERVES OF IBAM MINE UNDER THE JORC CODE AS AT 31 DECEMBER 2014

Mineral resources of the Ibam Mine for ore with iron grade greater than or equal to 35% as of 31 December 2014 (Note):

Classification	Quantity (Mt)	Fe Grade (%)
Measured	108	46.7
Indicated	—	—
Inferred	42	46.4
Sub-total	150	46.6

Ore reserves of the Ibam Mine for ore with iron grade greater than or equal to 35% as of 31 December 2014:

Classification	Quantity (Mt)	Fe Grade (%)
Proved	—	—
Probable	102	44.7

Note: The figures were calculated by the resource and reserves as at 31 December 2013 under the JORC Code (confirmed by Geos Mining which is a specialist independent geological and mineral exploration consultant) less the mining volume of 0.9Mt during the year.

All assumptions and technical parameters set out in the technical report of Geos Mining (the "Independent Technical Adviser") which is prepared under JORC Code as shown in the prospectus of the Company dated 20 June 2013 with respect to the Ibam Mine have not been materially changed and continued to apply to the above disclosed data.

EMPLOYEES AND EMOLUMENT POLICIES

The Group values its human resources and recognizes the importance of attracting and retaining qualified staff for its continuing success. As at 31 December 2014, the Group had 48 employees (2013: 52). For the year ended 31 December 2014, total staff cost including Directors' emolument amounted to approximately USD1.6 million (2013: USD1.7 million).

The Group's remuneration policies are in line with prevailing market practices and are determined on the basis of the performance and experience of the individual. The Group has constantly been reviewing the staff remuneration package to ensure it is competitive in the relevant industries.

SIGNIFICANT ACQUISITIONS AND INVESTMENTS

For details of significant acquisitionss and investments of the Group during last year, please refer to the section "Diversified Business Development".

In addition, the Group decided during the year: (1) not to exercise the pre-emptive rights in respect of the beneficial and/or legal interests in the shares of Gema Impak (please refer to the announcement on 7 November 2014 for further details); and (2) to terminate the negotiation on the target project (please refer to the announcement on 26 September 2014 for further details).

CORPORATE GOVERNANCE

The Board of Directors is committed to maintaining appropriate corporate governance practices to enhance the accountability and transparency of the Company in order to protect Shareholders' interests and to ensure that the Company complies with the latest statutory requirements and professional standards.

The Company has complied with the code provisions set out in CG Code during the year ended 31 December 2014 except for the deviation from CG Code provision A.2.1 in respect of the roles of chairman and Chief Executive Officer of the Company. Under CG Code A.2.1 under Appendix 14 to the Listing Rules, the roles of chairman and Chief Executive Officer should be separate and should not be performed by the same individual. The positions of chairman and Chief Executive Officer of the Company are both currently carried on by Mr. Li Yang. The Board considers that the structure currently operated by the Company does not undermine the balance of power and authority between the Board of Directors and the management.

The Board members have considerable experience and qualities which they bring to the Company and the Board, of which Mr. Li Yang can take advantage in fulfilling his duties, and the management is not impaired. Mr. Li Yang has strong client relationships and has the full backing from the Board of Directors and senior management of the Company in fulfilling his obligations as chairman and Chief Executive Officer. The Board believes that having the same person performing the roles of both chairman and Chief Executive Officer can provide the Group with strong and consistent leadership and that, operating in this manner allows for more effective and efficient overall strategic planning of the Group. Further, the decisions of the Board are made collectively by way of voting and therefore the chairman of the Board should not be able to monopolize the voting result.

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities throughout the year ended 31 December 2014.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct for dealing in securities by the Directors. Having made specific enquiry to all the Directors, all the Directors have confirmed that they had complied with the required standards set out in the Model Code for the year ended 31 December 2014.

CHANGES OF DIRECTORS

There were the following changes of Directors of the Company during last year: (1) Pursuant to the Articles of Association of the Company, Mr. Gong Maoqing retired as executive Director at the Annual General Meeting held on 30 April 2014 and did not offer himself for re-election; and (2) Mr. Diao Dalin was appointed as executive Director on 30 April 2014 and resigned from this position on 7 November 2014 due to personal health reason, but remained as consultant to the Company.

PUBLICATION OF INFORMATION ON THE STOCK EXCHANGE WEBSITE

This announcement is published on the websites of the Company and the Stock Exchange (www.hkexnews.hk). The annual report of the Company for the year ended 31 December 2014 will be dispatched to Shareholders of the Company and available on the above websites in due course.

REVIEW OF ANNUAL RESULTS

The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2014.

Glossary

"3W Development"	3W Development Limited, a company incorporated in Hong Kong as a private company Limited by shares on 25 February 2014 and which is an indirect wholly-owned subsidiary of the Company
"AGM"	the annual general meeting of the Company
"Audit Committee"	the audit committee of the Board
"Board of Directors" or "Board"	the board of Directors of the Company
"BVI"	the British Virgin Islands

"CAA Resources", "Company", "we", "us" or "our"	CAA Resources Limited (優庫資源有限公司), a company incorporated in the Cayman Islands on 25 April 2012 under the Companies Law CAP. 22 and, except where the context otherwise requires, all of its subsidiaries or where the context refers to any time prior to its incorporation, the business which its predecessors or the predecessors of its present subsidiaries were engaged in and which were subsequently assumed by it
"Capture Advance"	Capture Advance Sdn. Bhd., a company incorporated in Malaysia as a private company limited by shares on 15 November 2007 and which is wholly owned by Best Sparkle, and an indirect wholly-owned subsidiary of the Company
"CG Code"	Code on Corporate Governance Practices set out in Appendix 14 of the Listing Rules
"Chief Executive Officer"	the chief executive (as defined in the SFO) of the Company
"China" or "PRC"	the People's Republic of China. For the purpose of this announcement and for geographical reference only and except where the context requires, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Companies Law"	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended and supplemented from time to time
"Controlling Shareholder"	has the meaning ascribed to it under the Listing Rules, and in the context of this announcement means the controlling shareholders of our Company, namely Cosmo Field and Mr. Li Yang, and Controlling Shareholder means any one of them
"Cosmo Field"	Cosmo Field Holdings Limited (宇田控股有限公司), a company incorporated in the BVI with limited liability on 26 March 2012, and which is wholly owned by Mr. Li Yang
"Director(s)"	the director(s) of the Company
"Group", "we" or "us"	Our Company and our subsidiaries at the relevant time, or where the context refers to any time prior to our Company becoming the holding company of our current subsidiaries, our current subsidiaries and the business carried on by such subsidiaries or (as the case may be) our predecessors, and "our" shall be construed accordingly

"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Ibam Mine"	the mining site in respect of which the Mining Lease is granted and is located in Lot 27887 (PA 143236), Sungai Cipai, Mukim Keratong, Daerah Rompin, Pahang, Malaysia
"Independent Third Party(ies)"	persons or companies which are independent of and not connected with (within the meaning of the Listing Rules) any of the Directors, Chief Executive Officers, Substantial Shareholders of the Company or any of its subsidiaries and their respective associates, and "Independent Third Party" means any of them
"inferred resource"	part of the iron ore resource for which tonnage, grade and mineral content can be estimated with a low level of confidence as defined by the JORC Code
"iron ore products"	the products produced from our iron ore crushing and beneficiation facilities in the form of iron ore concentrates and iron ore fines
"JORC"	the Australasian Joint Ore Reserves Committee
"JORC Code"	the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
"Kt"	thousand tonnes, which is weight unit of measure for iron ore either on dry basis or on wet basis
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange on 3 July 2013
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)

"Main Board"	the stock exchange (excluding the option markets) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange
"mining volume"	the aggregate volume of produced ore volume excluding stripping rock volume
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules
"MOU"	memorandum of understanding
"Mt"	million tonnes, which is weight unit of measure for iron ore either on dry basis or on wet basis
"pelletizing"	a process to compress the iron ore into the shape of a pellet
"probable reserves"	the economically mineable part of an indicated resource, and in some circumstances, a measured resource, as defined by the JORC Code, which includes diluting materials and allowances for losses which may occur when the material is mined
"Project Ibam"	the mining project carried out at the Ibam Mine pursuant to the Mining Agreement
"Prospectus"	the prospectus dated 20 June 2013 issued by the Company in connection with the Global Offering and the Listing
"RM"	Malaysian Ringgit, the lawful currency of Malaysia
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) with a nominal value of HKD0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Hong Kong Companies Ordinance
"Substantial Shareholder"	has the meaning ascribed to it under the Listing Rules

"U.S." or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"USD", "US dollars" or "US$"	United States dollars, the lawful currency of the United States
"%"	per cent

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

Hong Kong, 23 March 2015

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

Company website: www.caa-resources.com