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CAA Resources Limited

優庫資源有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 02112)

PROFIT WARNING

This announcement is made by CAA Resources Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the inside information provisions under Part XIVA of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that, based on the information currently available to the Board, the Group is expected to record a loss of not less than USD30 million and not more than USD40 million for the year ended 31 December 2020 (the “**FY2020**”), compared to a loss of approximately USD57.1 million for the year ended 31 December 2019 (“**FY2019**”). The loss in FY2020 was mainly attributable to a reduction of over 95% of the revenue of the Group during FY2020 from approximately USD1,055 million in FY2019 to approximately USD28 million in FY2020 as a result of the financial difficulties faced by the Group and its clients under the challenging economic environment which is due to, among others, the impact of COVID-19, which is partly set-off by the reversal on impairment loss on investment in associate in which the Group recorded a gain of approximately HK\$3.6 million as compared to a loss of approximately USD31.6 million in FY2019.

The Company is in the process of finalizing the Group’s unaudited consolidated financial results for FY2020. The information contained in this announcement is only a preliminary assessment by the Board based on the information currently available to it and such information is subject to review by the Company’s auditors or audit committee. Shareholders and potential investors of the Company are advised to read the annual results announcement of the Company for FY2020, which is expected to be published on 31 March 2021.

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

By Order of the Board
CAA Resources Limited
Li Yang
Executive Director

Hong Kong, 29 March 2021

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

* *For identification purpose only*