CAA Resources Limited
優 庫 資 源 有 限 公 司*

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 02112)

UNAUDITED ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

FINANCIAL HIGHLIGHTS

- The Group's revenue reached approximately US$27.9 million, representing 97.4% lower than US$1,055.2 million recorded in the year of 2019.
- The sales volume of iron ore products, on dry basis, for 2020 was approximately 5 Kt, representing 99.7% lower than 1,708 Kt recorded in 2019.
- The Group recorded gross loss of approximately US$0.1 million in 2020 while it recorded gross profit of approximately US$11.6 million in 2019.
- The Group recorded loss of approximately US$30.3 million for the year ended 31 December 2020 representing 46.9% lower than approximately US$57.1 million recorded in the year ended 31 December 2019.
- The Directors of the Company did not recommend the payment of final dividend for the year ended 31 December 2020 (2019: nil).
- Basic loss per Share for the year ended 31 December 2020 was US$2.02 cents (basic loss per Share in 2019: US$3.81 cents).

* *For identification only*

The Board is pleased to announce the unaudited consolidated results of the Group for the year ended 31 December 2020 ("**the year under review**") together with the comparative figures for the year ended 31 December 2019 as follows:

Consolidated Statement of Profit or Loss

Year ended 31 December 2020

	Notes	**2020** ***US$'000*** *(unaudited)*	2019 *US$'000* *(audited)*
Revenue	*4*	**27,855**	1,055,195
Cost of sales		**(27,945)**	(1,043,615)
Gross (loss) profit		**(90)**	11,580
Other income	*6*	**1,742**	1,792
Selling and distribution expenses		**(32)**	(778)
Administrative and other expenses		**(6,759)**	(5,263)
Impairment loss on financial assets, net of reversal		**(11,972)**	(14,236)
Reversal of impairment loss (impairment loss) on remeasurement of assets held for sale		**3,612**	(31,636)
Finance costs	*7*	**(17,010)**	(18,345)
Loss before tax		**(30,509)**	(56,886)
Income tax credit (expense)	*8*	**252**	(223)
Loss for the year		**(30,257)**	(57,109)
Loss for the year attributable to:			
Owners of the Company		**(30,257)**	(57,110)
Non-controlling interests		**—**	1
		(30,257)	(57,109)
Loss per share attributable to the owners of the Company:			
Basic and diluted *(US cents)*	*10*	**(2.02)**	(3.81)

Consolidated Statement of Financial Position

31 December 2020

	Notes	2020 US$'000 (unaudited)	2019 US$'000 (audited)
Non-current assets			
Property, plant and equipment		**1,802**	2,577
Intangible assets		**13,121**	12,881
Right of use assets		**35**	218
Financial assets at fair value through other comprehensive income		**1,024**	9,992
Goodwill		**6,841**	6,718
Total non-current assets		**22,823**	32,386
Current assets			
Trade receivables	*11*	**205,627**	217,959
Prepayments, deposits and other receivables	*12*	**8,145**	7,552
Cash and cash equivalents		**102**	102
		213,874	225,613
Non-current assets classified as held for sales		**—**	18,363
Total current assets		**213,874**	243,976
Current liabilities			
Trade payables	*13*	**8,337**	10,292
Other payables and accruals	*14*	**25,218**	12,622
Lease liabilities		**21**	87
Amount due to ultimate holding company		**60,000**	60,000
Bank and other borrowings		**54,683**	54,683
Notes and bonds		**45,760**	40,872
Income tax payable		**3,459**	3,714
Total current liabilities		**197,478**	182,270
Net current assets		**16,396**	61,706
Total assets less current liabilities		**39,219**	94,092

	2020	2019
	US$'000	*US$'000*
	(unaudited)	*(audited)*
Non-current liabilities		
Lease liabilities	**11**	167
Provision for rehabilitation	**525**	509
Deferred tax liabilities	**2,930**	2,930
Total non-current liabilities	**3,466**	3,606
Net assets	**35,753**	90,486
Equity		
Share capital	**1,934**	1,934
Reserves	**33,819**	86,814
Equity attributable to owners of the Company	**35,753**	88,748
Non-controlling interests	**—**	1,738
Total equity	**35,753**	90,486

Notes to Financial Statements

31 December 2020

1. GENERAL INFORMATION

CAA Resources Limited (the "**Company**") was incorporated in the Cayman Islands under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as an exempted company with limited liability on 25 April 2012 and its shares are listed on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 3 July 2013.

The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. Since October 2019, the address of the principal place of business of the Company has changed to Unit 2413A, 24/F, Tower One, Lippo Centre, 89 Queensway, Admiralty, Hong Kong.

In the opinion of the directors of the Company, the immediate holding company and the ultimate holding company of the Company is Cosmo Field Holdings Limited ("**Cosmo Field**"), which was incorporated in the British Virgin Islands.

The Company is an investing holding company. Its major operating subsidiaries are mainly engaged in the mining, ore processing, sales of iron ore products and other commodities.

The functional currency of the Company and the subsidiaries incorporated in Hong Kong are United States dollars ("**US$**") while that of the subsidiaries established in the People's Republic of China, Malaysia and Singapore are Renminbi ("**RMB**"), Malaysia Ringgit ("**MYR**") and Singapore Dollar ("**SGD**") respectively. For the purpose of presenting the consolidated financial statements, the Company and its subsidiaries (hereinafter collectively referred to as the "**Group**") adopted US$ as its presentation currency which is the same as the functional currency of the Company.

2 BASIS OF PREPARATION

During the year ended 31 December 2020, the Group incurred a net loss attributable to the Owners of the Company of approximately US$30,257,000. As at 31 December 2020, the Group's amount due to ultimate holding company, bank and other borrowings, guarantee notes and bonds amounted to approximately US$160,443,000, while its cash and cash equivalents amount to approximately US$102,000 only.

In view of these circumstances, the directors of the Company (the "**Directors**") have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern, and have taken a number of measures to mitigate the liquidity pressure and to improve its cash flows the details of which are set out in the section headed "THE MANAGEMENT'S POSITION, VIEW AND ASSESSMENT ON THE DISCLAIMER OF OPINION" in the announcement dated 9 December 2020.

3. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

In the current year, the Group has applied for the first time the following new and amendments to IFRSs issued by the International Accounting Standards Board (the "**IASB**").

Amendments to IFRS 3	Definition of a Business
Amendments to IAS 1 and IAS 8	Definition of Material
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting

The application of other new and amendments to IFRSs in the current year has had no material impact on the Group's financial performance and position for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to IFRSs issued but not yet effective

The Group has not early applied the following new and amendments to IFRSs and interpretation that have been issued but are not yet effective:

IFRS 17	Insurance Contracts[3]
Amendments to IFRS 16	COVID-19 — Related Rent Concessions[5]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture[4]
Amendments to IAS 39, IFRS4, IFRS 7, IFRS 9 and IFRS 16	Interest Rate Benchmark Reform — Phase 2[1]
Amendments to IFRS 3	Reference to the Conceptual Framework[2]
Amendments to IAS 16	Property, Plant and Equipment — Proceeds before Intended Use[2]
Amendments to IAS 37	Onerous contracts: Cost of fulfilling a contract[2]
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[3]
Amendments to IAS 8	Definition of Accounting Estimates[3]
Amendments to IAS 1	Classification of liabilities as Current or Non-current[3]
Amendments to IFRSs	Annual Improvements to IFRS 2018–2020 cycle[2]

1 Effective for annual periods beginning on or after January 1, 2021
2 Effective for annual periods beginning on or after January 1, 2022
3 Effective for annual periods beginning on or after January 1, 2023
4 Effective date not yet been determined
5 Effective for annual periods beginning on or after June 1, 2020

The directors of the Company anticipate that, the application of the new and amendments to IFRSs will have no material impact on the results and the financial position of the Group.

4. REVENUE

Revenue represents revenue arising on sales of iron ore products, crude oil and other commodities. An analysis of the Group's revenue for the year is as follows:

	For the year ended 31 December	
	2020	2019
	US$'000	*US$'000*
	(Unaudited)	(Audited)
Revenue from contracts with customers within the scope of IFRS 15		
— Sales of iron ore products	**240**	164,087
— Sales of crude oil	**—**	566,290
— Sales of commodities	**27,615**	324,818
	27,855	1,055,195

Set out below is the disaggregation of the Group's revenue from contracts with customers by timing of recognition and geographical markets, arising from different reporting segments:

For the year ended 31 December 2020	**Iron ore mining and processing operation**	**Commercial trade**	**Total**
	US$'000	***US$'000***	***US$'000***
	(Unaudited)	**(Unaudited)**	**(Unaudited)**
Revenue from goods:			
— Sales of iron ore products	**240**	**—**	**240**
— Sales of commodities	**—**	**27,615**	**27,615**
	240	**27,615**	**27,855**
Timing of revenue recognition:			
— At a point in time	**240**	**27,615**	**27,855**
Geographical markets:			
— Malaysia	**240**	**—**	**240**
— Hong Kong	**—**	**27,615**	**27,615**
	240	**27,615**	**27,855**

For the year ended 31 December 2019	Iron ore mining and processing operation *US$'000* (Audited)	Commercial trade *US$'000* (Audited)	Total *US$'000* (Audited)
Revenue from goods:			
— Sales of iron ore products	11,563	152,524	164,087
— Sales of crude oil	—	566,290	566,290
— Sales of commodities	—	324,818	324,818
	11,563	1,043,632	1,055,195
Timing of revenue recognition:			
— At a point in time	11,563	1,043,632	1,055,195
Geographical markets:			
— PRC	—	970,241	970,241
— Malaysia	11,563	38,170	49,733
— Singapore	—	35,221	35,221
	11,563	1,043,632	1,055,195

5. SEGMENT INFORMATION

Information reported to the directors of the Company, being the chief operating decision maker (the "**CODM**"), for the purpose of resource allocation and assessment of segment performance focuses on types of goods provided. No operating segments identified by the CODM has been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable segments are as follows:

- Iron ore mining and processing operation — mining and sales of iron ore;

- Commercial trade — trading of crude oil and other commodities; and

- Financing operation — investment in equity securities and other financial services

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable and operating segment.

For the year ended 31 December 2020

	Iron ore mining and processing operation *US$'000* **(Unaudited)**	**Commercial trade** *US$'000* **(Unaudited)**	**Financing operation** *US$'000* **(Unaudited)**	**Total** *US$'000* **(Unaudited)**
Segment revenue	**240**	**27,615**	**—**	**27,855**
Segment (loss) profit	**(334)**	**(15,087)**	**684**	**(14,737)**
Unallocated income				**459**
Unallocated corporate expenses				**(6,387)**
Unallocated finance costs				**(13,503)**
Impairment loss on other receivables, net of reversal				**47**
Reversal of impairment loss on remeasurement of assets held for sale				**3,612**
Loss before taxation				**(30,509)**

For the year ended 31 December 2019

	Iron ore mining and processing operation *US$'000* (Audited)	Commercial trade *US$'000* (Audited)	Financing operation *US$'000* (Audited)	Total *US$'000* (Audited)
Segment revenue	11,563	1,043,632	—	1,055,195
Segment profit (loss)	260	(7,097)	325	(6,512)
Unallocated income				184
Unallocated corporate expenses				(3,833)
Unallocated finance costs				(14,665)
Impairment loss on other receivables				(424)
Impairment loss on remeasurement of assets held for sale				(31,636)
Loss before taxation				(56,886)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment (loss) profit represents the (loss) profit of each segment without allocation of central and other operating expenses, other income, finance costs, impairment loss on financial assets, net of reversal and reversal of impairment loss (impairment loss) on remeasurement of assets held for sale. This is the measure reported to the directors of the Company with respect to the resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

Segment assets

	2020	2019
	US$'000	*US$'000*
	(Unaudited)	(Audited)
Iron ore mining and processing operation	**15,588**	16,138
Commercial trade	**204,834**	217,017
Financing operations	**6,495**	5,568
Total segment assets	**226,917**	238,723
Corporate and other assets	**9,780**	37,639
Total assets	**236,697**	276,362

Segment liabilities

	2020	2019
	US$'000	*US$'000*
	(Unaudited)	(Audited)
Iron ore mining and processing operation	**819**	659
Commercial trade	**132,100**	129,437
Total segment liabilities	**132,919**	130,096
Corporate and other liabilities	**68,025**	55,780
Total liabilities	**200,944**	185,876

For the purposes of monitoring segment performance and allocating resources between segments:

— All assets are allocated to operating segment, other than allocated property, plant and equipment, right-of-use assets, financial assets at FVTOCI, goodwill, deferred tax assets, unallocated deposits, prepayments and other receivables, bank balances and cash and other corporate assets. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments; and

— All liabilities are allocated to operating segments, other than unallocated other payables and accruals, income tax payable, lease liabilities, amount due to ultimate holding company, bank and other borrowings, notes and bonds and other corporate liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment liabilities.

Other segment information

For the year ended 31 December 2020

	Iron ore mining and processing operation *US$'000* **(Unaudited)**	**Commercial trade** *US$'000* **(Unaudited)**	**Financing operation** *US$'000* **(Unaudited)**	**Unallocated** *US$'000* **(Unaudited)**	**Total** *US$'000* **(Unaudited)**
Amounts include in the measure of segment loss or segment assets:					
Depreciation and amortisation	**726**	**—**	**—**	**46**	**772**
Loss allowance on trade receivables	**103**	**11,688**	**—**	**—**	**11,791**
Impairment on loans and other receivables, net of reversal	**(1)**	**(46)**	**228**	**—**	**181**
Loss on disposal of property, plant and equipment	**—**	**—**	**—**	**21**	**21**
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:					
Interest income	**—**	**—**	**1,284**	**—**	**1,284**
Finance costs	**—**	**3,507**	**—**	**13,503**	**17,010**
Income tax credit	**—**	**—**	**—**	**(252)**	**(252)**

For the year ended 31 December 2019

	Iron ore mining and processing operation *US$'000* (Audited)	Commercial trade *US$'000* (Audited)	Financing operation *US$'000* (Audited)	Unallocated *US$'000* (Audited)	Total *US$'000* (Audited)
Amounts include in the measure of segment loss or segment assets:					
Depreciation and amortisation	721	—	—	352	1,073
Loss allowance on trade receivables	73	12,455	—	—	12,528
Impairment on loans and other receivables	—	—	1,294	414	1,708
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:					
Interest income	—	—	1,609	—	1,609
Finance costs	100	3,580	—	14,665	18,345
Income tax expense	—	—	—	223	223

Geographical information

During the years ended 31 December 2020 and 2019, the Group's operations are located in Hong Kong and Malaysia.

Information about the Group's revenue from external customers is presented based on the location of the operations.

Revenue from external customers

	For the year ended 31 December	
	2020	2019
	US$'000	*US$'000*
	(Unaudited)	(Audited)
Malaysia	**240**	49,733
Singapore	**—**	35,221
Hong Kong	**27,615**	—
PRC	**—**	970,241
Total revenue	**27,855**	1,055,195

Substantially all of the Group's operations and non-current assets are in Hong Kong and Malaysia.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group is as follows:

	For the year ended 31 December	
	2020	2019
	US$'000	*US$'000*
	(Unaudited)	(Audited)
Company A[1]	**N/A[2]**	492,897
Company B[1]	**N/A[2]**	322,216
Company C[1]	**19,932**	N/A[2]
Company D[1]	**7,923**	N/A[2]
	27,855	815,113

[1] Revenue from commercial trade segment.

[2] The corresponding revenue did not contribute over 10% of the total revenue of the Group.

6. OTHER INCOME

	For the year ended 31 December	
	2020	2019
	US$'000	*US$'000*
	(Unaudited)	(Audited)
Interest income from loan receivables	**1,284**	1,609
Exchange gain, net	**235**	183
Over-provision of auditor's remuneration in respect of prior year	**141**	—
Gain on derecognition of rights-of-use assets and lease liabilities	**37**	—
Government grants *(Note)*	**17**	—
Others	**28**	—
	1,742	1,792

Note: During the year ended 31 December 2020, the Group recognised government grants of US$17,000 in respect of COVID-19-related subsidies, which related to Employment Support Scheme provided by the Government of the Hong Kong Special Administrative Region under the Anti-Epidemic Fund. There are no unfulfilled conditions and other contingencies attached to the receipts of those subsidies.

7. FINANCE COSTS

	For the year ended 31 December	
	2020	2019
	US$'000	*US$'000*
	(Unaudited)	(Audited)
Interests on:		
— bank and other borrowings	**10,403**	12,720
— notes	**6,148**	5,377
— bonds	**441**	102
— lease liabilities	**2**	46
Unwinding of discount on provision	**16**	100
	17,010	18,345

8. INCOME TAX (CREDIT) EXPENSES

	For the year ended 31 December	
	2020	2019
	US$'000	*US$'000*
	(Unaudited)	(Audited)
Current tax:		
Hong Kong Profits Tax	**—**	200
(Over) Under provision in prior years:		
Hong Kong Profits Tax	**(252)**	23
	(252)	223

Notes:

(a) Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.

(b) On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "**Bill**") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. For the years ended 31 December 2020 and 2019, Hong Kong Profits Tax of the qualified entities of the Group is calculated in accordance with the two-tiered profits tax rates regime. The profits of other entities of the Group in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%.

(c) No provision for Singapore and PRC corporate income tax has been provided as the Company's subsidiaries located in Singapore and Mainland China had no assessable profits derived or earned in Mainland China and Singapore for the years ended 31 December 2020 and 2019.

(d) 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 24% (2019: 24%) on the assessable profits generated during the year.

9. LOSS FOR THE YEAR

	For the year ended 31 December	
	2020	2019
	US$'000	*US$'000*
	(Unaudited)	(Audited)
Loss for the year has been arrived at after charging:		
Directors' and chief executive's emoluments	**567**	704
Salaries, wages, allowances and other benefits	**503**	1,024
Contributions to retirement benefits scheme (excluding directors', chief executive's and supervisors' emoluments)	**25**	61
Total staff costs	**1,095**	1,789
Auditor's remuneration	**102**	368
Depreciation of property, plant and equipment	**762**	801
Depreciation of right-of-use assets	**9**	238
Amortisation of intangible assets	**1**	34
Impairment loss on trade receivables	**11,791**	12,528
Impairment loss on other receivables	**181**	1,708
Loss on disposal of property, plant and equipment	**21**	—
Amount of inventories recognised as an expense	**27,945**	1,032,472
Operating lease charges in respect of rented premises	**2**	52

10. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following:

	2020	2019
	US$'000	*US$'000*
	(Unaudited)	(Audited)
Loss		
Loss for the purpose of basic and diluted loss per share	**(30,257)**	(57,110)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share *('000 shares)*	**1,500,000**	1,500,000

The dilutive loss per share is equal to the basic loss per share as there were no dilutive potential ordinary shares outstanding during the years ended 31 December 2020 and 2019.

11. TRADE RECEIVABLES

	2020	2019
	US$'000	*US$'000*
	(Unaudited)	(Audited)
Receivables at amortised cost comprise:		
Trade receivables	**229,946**	230,487
Less: loss allowance for trade receivables	**(24,319)**	(12,528)
	205,627	217,959

As at 31 December 2020, the gross amount of trade receivables arising from contracts with customers amounted to approximately US$229,946,000 (2019: US$230,487,000).

The Group normally allows a credit period of not more than 120 days to its customers, although an extension of the credit period is not uncommon for customers who have a long term relationship with the Group. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. In view of this and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

The following is an aged analysis of trade receivables, net of loss allowance for trade receivables, presented based on the invoice date, which approximates revenue recognition date at the end of each reporting period.

	2020	2019
	US$'000	*US$'000*
	(Unaudited)	(Audited)
Within 30 days	**8,170**	5,064
31–60 days	**—**	18,356
61–120 days	**—**	70,403
Over 120 days	**197,457**	124,136
	205,627	217,959

At 31 December 2020, the Group's trade receivables with carrying values of approximately US$36,533,000 (2019: US$36,533,000) have been pledged to secure banking facilities granted to the Group.

12. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2020	2019
	US$'000	*US$'000*
	(Unaudited)	(Audited)
Loan receivables from a company *(note i)*	**8,007**	6,852
Deposits	**29**	33
Prepayments	**1**	145
Other receivables	**1,997**	2,230
	10,034	9,260
Less: loss allowance	**(1,889)**	(1,708)
	8,145	7,552

Notes:

(i) As at 31 December 2020, the amount represents a loan with the principal amount of approximately US$6,389,000 (2019: US$6,518,000) made to Shenzhen Wanyuntong Real Estate Development Company Limited* 深圳市萬運通房地產開發有限公司 ("**Shenzhen Wanyuntong**") and the interest receivables of approximately US$1,618,000 (2019: US$334,000) thereon. The loan carried effective interest at fixed rates at 20% per annum, unsecured and repayable with interest upon three months' notice by the Group. Details of the loan are set out in the Company's announcement dated 24 December 2015.

13. TRADE PAYABLES

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2020	2019
	US$'000	*US$'000*
	(Unaudited)	(Audited)
Within 90 days	**8,337**	8,372
91 to 365 days	**—**	1,920
	8,337	10,292

The average credit period granted by its suppliers ranging from 30 to 60 days. The Group has financial risk management in place to ensure that all payables are settled within the credit timeframe.

14. OTHER PAYABLES AND ACCRUALS

	2020	2019
	US$'000	*US$'000*
	(Unaudited)	(Audited)
Other payables	**2,463**	2,000
Interest payables *(Note)*	**21,900**	9,834
Accruals	**855**	788
	25,218	12,622

Note: Included in interest payables was an amount of approximately US$21,900,000 (2019: US$9,834,000) which represented the aggregate accrued interests in connection with the Borrowings.

15. DIVIDENDS

No dividend was paid or proposed during the years ended 31 December 2020 and 2019, nor has any dividend been proposed since the end of the reporting period.

16. EVENT AFTER THE REPORTING PERIOD

As disclosed in the announcement dated 19 March 2021, the Company received a winding-up petition from creditor, the details of which are set out in the announcement dated 14 February 2020 and 19 March 2021. Save as disclosed above, the Company is not aware of significant event after the reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF BUSINESS DEVELOPMENT

The Company acts as an investment holding company, and its principal business activities are iron ore exploration, mining, crushing and beneficiation as well as sale of iron ore products and other commodities, and investment holding. There were no significant changes in the nature of the Group's principal activities during the Period. The primary mining asset of the Group is the iron-ore reserves in Ibam Mine, which is located in the State of Pahang, Malaysia.

At the beginning of 2020, COVID-19 broke out and spread globally, disrupting normal production and life order, and severely impacting most industries. The main mining assets of the Company are located in Malaysia. Malaysia implemented operational control directives nationwide since March 18, 2020: All governmental and private institutions, except for those providing essential services such as water, electricity and energy, shall be closed down, and all domestic gatherings, including religious, sports, social and cultural activities, shall be prohibited; foreigners shall be banned from entering Malaysia; residents shall not drive more than 10 kilometers away from home, and the only permission for going out shall be to buy daily necessities and food. These controls led to the suspension of operations at Ibam mine. In addition, the key business suppliers and customers of the Company are mainly located in Singapore, Malaysia, Mainland China and Hong Kong, and the restrictions on the entry of foreigners and the inspection and quarantine measures taken by these countries and regions also made it impossible for the Company's relevant business personnel to carry out and develop trade business normally. As a result, the Company had no income from its own production and trading business in the first nine months of 2020. Small amount of trading business was gradually resumed from October 2020.

The Company has taken timely and active prevention and control measures since the initial stage of the epidemic, in order to ensure the health and safety of all employees, and to accumulate strength for the recovery and development of the Company.

MARKET REVIEW AND OUTLOOK

Iron ore port stocks continued to fall at the beginning of this year, and the supply remained tight. In particular, in May, as a major iron ore consumer, China's domestic production resumed, steel mills' output rose rapidly, and domestic iron ore demand soared. In addition, the shipment volume of VALE in the first quarter was significantly lower than expected, leading to the intensified contradiction between supply and demand. Iron ore port stocks fell by more than 6 million tons a month in May, sparking a sharp rise in prices.

However, since June, there have been obvious signs of easing the contradiction in quantity. On one hand, with the mitigation of the epidemic, there was a significant increase in shipments of foreign ores in June: Australian iron ore exports to China climbed to a record 46.2 million tons in June, up 7% from 43.18 million tons in May and up 10% from the same month last year. Brazilian iron ore exports to China reached 22.8 million tons in June, up 35% from a year earlier. Persistent high prices have also contributed to a recovery in global supplies, with China's iron ore imports hitting a record high of 547 million tons from January to June. On the other hand, the growth of China's domestic iron ore demand slowed down in June, and the molten iron production had the continuous growth of 18 weeks ended and experienced oscillation at high level in mid-June.

The supply-demand difference amounted to 11.30 million tonnes in the whole year of 2020, among which, nine months remained at the state of de-stocking and presented a phase of tight balance. In respect of the seasonal changes, the supply and demand in the first half of the year were mismatched with negative supply-demand difference, resulting from the supply far less than the demand, while the supply side were improved gradually in the second half. However, the demand increased obviously in the second half of the year after the recovery of the Pandemic, with the supply-demand difference turning from negative to positive, presenting a phase of tight balance in whole year.

Looking forward for the coming year, the fundamental supply and demand of iron ore in 2021 will continue to improve, compared to that of 2020. The average price of the iron ore of the whole year may decline, but increase volume of the overall iron ore supply will be still relatively tight, especially the amount transported to China. Taking into account of the trend of the whole year, combined with the seasonal rules of iron ore supply, the price of iron ore in 2021 may be from high to low, and the bottom will appear in the second and third quarters.

BUSINESS & OPERATIONS REVIEW

Project Ibam operation update

The Group's principal mining site is Project Ibam. 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, and it has a mine life expected to be more than 26 years as of 31 December 2012. 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.

As at 31 December 2020, the Group owned 5 beneficiation lines and 2 crushing lines. During the Period under Review, only limited mining and production activities were carried out. The annual mining volume and production volume were 13.2 Kt and 4.8 Kt respectively (2019: 583.3 Kt and 196.4 Kt respectively).

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

	For the year ended 31 December 2020	For the year ended 31 December 2019	Change
Mining Volume	**13.2 Kt**	583.3 Kt	-97.7%
Production Volume	**4.8 Kt**	196.4 Kt	-97.6%

Operating Results

During the year, the COVID-19 outbreak cause disruptions to the Group's trading business and own production before September.

In 2020, the Group recorded revenue of US$27.9 million (2019: US$1,055.2 million), representing a decrease of US$1,027.3 million or 97.4% compared with the same period of the previous year. The sales volume of other commodity decreased by 99.6% to approximately 3.6 Kt (2019: 922 Kt). The sales volume of iron ore products decreased by 99.7% to approximately 4.8 Kt on dry basis (2019: approximately 1,708 Kt). During the year, the average selling price of the Group's iron ore products on dry basis was US$50.0 per tonne (2019: US$96.1 per tonne). Loss for the year decreased by 46.9% to US$30.3 million from US$57.1 million, and losses per share was 2.02 US cents (2019: 3.81 US cents). The decrease was mainly attributable to the effect of group revenue reduction was lower than the decrease in finance cost, impairment loss on financial assets, and impairment loss on remeasurement of assets held for sale.

The Sales analysis for the Group is as follows:

	For the year ended 31 December 2020	For the year ended 31 December 2019	Change
Sales Revenue	**US$27,855,000**	US$1,055,195,000	-97.4%
— Iron Ore	**US$240,000**	US$164,087,000	-99.9%
— Other Commodities	**US$27,615,000**	US$891,108,000	-96.9%
Sales Volume (dry basis)			
— Iron Ore	**5,000 tonnes**	1,708,000 tonnes	-99.7%
— Other Commodities	**4,000 tonnes**	922,000 tonnes	-99.6%
— Petroleum products	**nil**	7,112,000 barrels	-100.0%
Gross (loss) profit	**(US$90,000)**	US$11,580,000	-100.9%
Gross Profit margin	**-0.03%**	1.10%	-1.13

FINANCIAL REVIEW

PROFIT AND OTHER COMPREHENSIVE INCOME

Revenue

During the year, the Group's revenue reached approximately US$27.9 million, about 97.4% lower than that recorded in 2019, which was US$1,055.2 million. The significant decrease in revenue was mainly due to a reduction in the supply of goods and iron ore mining and processing operation from regions which has affected the Group's ability to continue the commercial trade and iron ore mining and processing operation as well as scale down of the production since February to September 2020 due to the COVID-19 outbreak.

Cost of sales

During the year ended 31 December 2020, the Group's cost of sales reached approximately US$27.9 million, about 97.3% lower than approximately US$1,043.6 million recorded in 2019. Cost of sales mainly included the cost of purchasing other commodities for trading activities and outsourcing cost of self production. The significant decrease in cost of sales was in line with the decrease in revenue during the period.

Gross (loss) profit

During the year ended 31 December 2020, the Group's gross loss reached approximately US$0.1 million (2019: gross profit of approximately US$11.6 million). The change in gross profit was mainly due to the weak overall demand in the commodity market and the decrease in the sales volume.

Administrative and other expenses

During the year ended 31 December 2020, the Group's administrative expenses reached approximately US$6.8 million, about 28.3% higher than approximately US$5.3 million recorded in 2019. The increase was mainly due to increase in legal and professional expense.

Finance costs

During the year ended 31 December 2020, the Group's finance costs reached approximately US$17.0 million, decrease 7.1% from the US$18.3 million recorded in 2019. The decrease was mainly due to the interest decrease on other borrowings. No notional interest expense incurred for shareholder loan from Cosmo Field (the Controlling Shareholder) during the year.

Income tax (credit) expenses

The Group write off US$0.3 million income tax payable during the year which was over provision in previous year (2019: US$0.2 million).

The Group recorded income tax credit of approximately US$0.3 million during the year ended 31 December 2020 and recorded income tax expense of approximately US$0.2 million during the year ended 31 December 2019.

Loss for the year

The loss for the year ended 31 December 2020 was US$30.3 million, about 46.9% lower than approximately US$57.1 million recorded in 2019. The decrease in loss for the year was mainly due to the effect of gross profit in 2019 changing to gross loss in 2020 was lower than the decrease of finance cost, expected credit loss arising from impairment of trade and other receivables, and impairment loss on assets held for sale. The loss in 2020 was mainly attributable to a reduction of the revenue of the Group 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 remeasurement of assets held for sale in which the Group recorded a gain as compared to a loss in 2019.

LIQUIDITY AND CAPITAL RESOURCES

The total equity of the Group as at 31 December 2020 was approximately US$35.8 million (31 December 2019: US$90.5 million). The Group generally finances its operation with internally generated cash flow, interest-bearing bank and other borrowings, and interest-free and security-free shareholder loans from our Controlling Shareholder. Primary uses of funds during the year included payment of operating expenses, repayment of bonds. As at 31 December 2020, current assets of approximately US$213.9 million primarily comprised US$205.6 million of trade receivables, US$8.1 million of prepayments, deposits and other receivables, and US$0.1 million of cash and cash equivalents. Current liabilities of approximately US$197.5 million mainly comprised US$8.3 million of trade payables, US$25.2 million of other payables and accruals, US$60.0 million of amount due to ultimate holding company, US$54.7 million of interest-bearing bank and other borrowings, US$45.8 million of notes and bond payable, and US$3.5 million of tax payable. Current ratio, being total current assets to total current liabilities was 1.1 as at 31 December 2020 (2019: 1.3).

As at 31 December 2020, the Group had certain interest-bearing bank and other borrowings of US$54.7 million in total (2019: US$54.7 million). The bank and other borrowings were mainly used to finance the issuance of letter of credit and working capital of the Group.

Trade receivables

The Group's trade receivables decreased by 5.7% from approximately US$218.0 million as at 31 December 2019 to approximately US$205.6 million as at 31 December 2020, which was mainly due to the increase in expected loss allowance of trade receivables.

Major customers were granted credit on open account basis or allowed to settle by documentary letter of credit. 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.

As of 31 December 2020, the Group had made provision of impairment loss amounted to approximately US$24.3 million against overdue trade receivables in accordance with accounting standards, as reviewed by management.

Prepayments, deposits and other receivables

As at 31 December 2020, the Group's prepayments, deposits and other receivables amounted to approximately US$8.1 million (2019: approximately US$7.6 million). The increase was mainly due to the overdue interest receivables from a company.

Trade payables

Trade payables mainly consists of payables to suppliers for purchase of other commodities for trading activities. The Group's trade payables amounted to approximately US$8.3 million as at 31 December 2020 and approximately US$10.3 million as at 31 December 2019. The decrease in trade payables was mainly due to reduce of credit term granted by trade payables.

Other payables and accruals

The Group's other payables and accrued expenses were approximately US$25.2 million as at 31 December 2020, representing an increase of approximately 100% from approximately US$12.6 million as at 31 December 2019. The increase was mainly due to increase in interest payable on loans.

Net current assets position

The Group's net current assets decrease during the year, from net current assets of approximately US$61.7 million as at 31 December 2019 to net current assets of approximately US$16.4 million as at 31 December 2020. The decrease was mainly due to an increase of US$12.6 million in other payables and accrued expenses, an increase of approximately US$4.9 million in notes as current liabilities, a decrease of FVTOCI of approximately US$9.0 million, a decrease of trade receivables of approximately US$12.3 million, and decrease of assets classified as held for sales of approximately US$18.4 million.

Borrowings

As at 31 December 2020, the Group's borrowings consisted mainly of:(i) a loan of approximately US$36.5 million due to a commercial bank; (ii) a loan of approximately US$18.2 million; and (iii) notes and bond amounting to US$45.8 million which included the note with the principal of US$25.3 million and the note with the principal of US$18.0 million, and the bond with the principal of US$2.5 million.

As at 31 December 2020, the Company also owed shareholder loans of US$60.0 million (2019: US$60.0 million) from Cosmo Field (the Controlling Shareholder) which were interest-free and unsecured.

LEGAL PROCEEDINGS

The Company was informed by Mr. Li Yang ("**Mr. Li**"), an executive director, chairman and chief executive officer of the Company that he had received a writ of summons taken out by Oversea-Chinese Banking Corporation Limited ("**OCBC**") against Mr. Li at the High Court of Hong Kong (the "**High Court Action**"). The High Court Action was related to a loan (the "**OCBC Loan**") advanced by OCBC to China Bright Industries Limited, a subsidiary of the Company, in which Mr. Li (as the guarantor) failed to fulfil his obligation as guarantor to settle the amount of HK$308,758,494. The Group has also breached the repayment obligations under the OCBC Loan (the "**Breach**"), and the Breach will trigger cross-defaults of other borrowings and loans of the Group. For details, please refer to the announcement dated 20 January 2020.

The Company was informed by Mr. Li Yang ("**Mr. Li**"), an executive director, chairman and chief executive officer of the Company, and by Cosmo Field Holdings Limited ("**Cosmo Field**"), the controlling shareholder of the Company, that they had received a writ of summons dated 15 May 2020 taken out by Industrial Bank Co., Limited ("**Industrial Bank**") against Cosmo Field and Mr. Li at the High Court of Hong Kong (the "**High Court Action**"). The High Court Action was related to a loan (the "**Industrial Bank Loan**") advanced by Industrial Bank to Cosmo Field, for which Mr. Li was the guarantor. Pursuant to the High Court Action, Industrial Bank brought claim against Cosmo Field and Mr. Li with respect to the default (the "**Default**") in repayment of the Industrial Bank Loan in the amount of US$45,059,154.85. As at the date of this announcement, Cosmo Field has pledged 752,000,000 shares (representing 50.13% of all issued shares of the Company) in favour of Industrial Bank as security for the Industrial Bank Loan. Cosmo Field has lent the principal amount of the Industrial Bank Loan being US$40,000,000 ("**Shareholder Loan**") to the Company as an interest-free loan, and Industrial Bank is entitled to claim against the Company for the repayment of the Shareholder Loan pursuant to the assignment of loan as part of security arrangement for the Industrial Bank Loan whereby Cosmo Field has assigned the rights under the Shareholder Loan to Industrial Bank. The Group believes that the Default will trigger cross-defaults of other borrowings and loans of the Group. The board of the Company is of the view that the Default will cause material adverse effect on the operation of the Group. For details, please refer to the announcement dated 18 May 2020.

The Company became aware that the Creditor (the "**Petitioner**") has filed a petition (the "**Petition**") in the matter of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) from the High Court of The Hong Kong Special Administrative Region (the "**High Court**") that the Company may be wound up by the High Court on the ground that the Company is unable to pay its debts. The winding up petition will be heard before the High Court at 10:00 a.m. on 5 May 2021. The Petition was filed against the Company for failure to settle the outstanding sum of HK$19,700,000 plus accrued interest and the agreed costs of HK$38,000 and legal costs. The Petitioner is a holder of a bond issued by the Company. The Company will endeavour to negotiate with the Petitioner for an amicable disposal of the Petition out of the court. For details, please refer to the announcement dated 14 February 2020 and 19 March 2021.

For details of default in borrowings and material uncertainty in relation to going concern, please refer to the section headed "Discussions on The Company's Going Concern Issue from The Corporate Governance Perspective" in the announcement dated 9 December 2020.

CAPITAL STRUCTURE

The Group is currently funding its capital expenditure through internal funds generated from its operations, bank borrowings, notes and bond issued and loan from Cosmo Field. 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 and other borrowings and an amount due to Cosmo Field, net of cash and bank balances and it excludes liabilities incurred for working capital purposes. Equity includes equity attributable to the equity shareholders of the Company and non-controlling interest.

The Group's gearing ratio as at 31 December 2020 was 81.8% (31 December 2019: 63.2%).

The Group continued to conduct its operational business mainly in US$. The Group did not arrange any forward currency contracts for hedging purposes.

FOREIGN CURRENCY RISK

The Group has certain bank deposits, loan receivables and other borrowings denominated in foreign currencies, i.e. a currency other than the functional currency of the subsidiaries of the Company, which expose the Group to currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets at the reporting date are as follows:

	Assets		**Liabilities**	
	2020	2019	**2020**	2019
	US$'000	*US$'000*	***US$'000***	*US$'000*
HKD	**5**	19	**17,380**	27,718
RMB	**6,495**	5,568	**—**	—

The Group currently does not have a foreign currency hedging policy. However, management monitors foreign exchange exposure and will consider hedging of significant foreign currency exposure should the need arise.

The Group believes that the pegged rate between the US$ and the HK$ will not be materially affected by any changes in the value of US$ against other currencies. In this respect, the Group considers its exposure to foreign currency risk in respect of HK$ to be insignificant.

Sensitivity Analysis

The Group currently is mainly exposed to the effects of fluctuation in RMB as above. Management of the Group considers the currency risk of the Group is insignificant for the years ended 31 December 2020 and 2019, hence no sensitivity analysis is presented.

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 bank balances. The Group had no significant interest rate exposure arising from all of its interest-bearing loans since the interest rates were fixed. In addition, the Group has not used any interest rate swap to hedge against interest rate risk.

RESOURCE AND RESERVES OF IBAM MINE UNDER JORC CODE AS AT 31 DECEMBER 2020

Mineral resources of the Ibam Mine for ore with iron grade greater than or equal to 35% as at 31 December 2020 *(Note)*:

Classification	**Quantity** *(Mt)*	**Fe Grade** *(%)*
Measured	108	46.7
Indicated	—	—
Inferred	42	46.6
Total	150	46.6

Ore reserves of the Ibam Mine for ore with iron grade greater than or equal to 35% as at 31 December 2020:

Classification	**Quantity** *(Mt)*	**Fe Grade** *(%)*
Proved	—	—
Probable	102	44.6

Note: The figures were calculated by the resource and reserves as at 31 December 2013 under the JORC Code (confirmed by Geos Mining Minerals Consultants, Australia which is a specialist independent geological and mineral exploration consultant) less the mining volume since then.

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 2020, the Group had 19 employees (2019: 39). For the year ended 31 December 2020, total staff cost including Directors' emolument amounted to approximately US$1.1 million (2019: US$1.8 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.

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 2020 except for as disclosed herein. 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.

NON-COMPLIANCE WITH REQUIREMENTS UNDER RULES 3.10(1), 3.10(2) AND 3.21 OF THE LISTING RULES

Since 8 October 2020, the Company only has two independent non-executive Directors, thus the number of the independent non-executive Directors falls below the minimum number required under Rule 3.10(1) of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

According to Rule 3.10(2) of the Listing Rules, at least one of the independent nonexecutive Directors must have appropriate professional qualifications or accounting or related financial management expertise (the "**Qualification**"), and following the resignation of Mr. Leung, there would be no independent non-executive Director who has the Qualification as required under Rule 3.10(2) of the Listing Rules.

As a result of the insufficient number of independent non-executive Directors, the Company has also failed to comply with the requirements set out in Rule 3.21 of the Listing Rules with regard to the minimum number of members and the composition of the Audit Committee.

The Company will use its best endeavour to identify suitable candidate(s) to fill up the vacancy of independent non-executive Director and the vacancy on the Audit Committee. However, the Company has not been able to identify suitable candidate within three months from the date of resignation of Mr. Leung as required under Rules 3.11 and 3.23 of the Listing Rules. The Company will make further announcement as and when appropriate.

NON-COMPLIANCE WITH RULE 3.28 OF LISTING RULES

Since 30 July 2020, the position of company secretary of the Company has remained vacant. The Company has not been able to identify suitable candidate within three months from the date of resignation of Mr. Leung as required under rule 3.28 of the Listing Rules. The Company will use its best endeavour to identify suitable candidate(s) to fill up the vacancy and will make further announcement as and when appropriate.

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 2020.

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 2020.

ANNUAL GENERAL MEETING

The AGM notice of the Company will be despatched in accordance with Listing Rules in due course.

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 2020 will be dispatched to Shareholders of the Company and available on the above websites in due course.

AUDIT COMMITTEE

The Company has established the Audit Committee in compliance with Rule 3.21 of the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process, internal control and risk management system of the Group, and to make proposals to the Board as to the appointment, re-appointment and removal of the Company's independent auditors and the related remuneration and appointment terms. The Audit Committee has reviewed the accounting standards and practices adopted by the Group and discussed with the management about the internal control and financial reporting matters.

The Company only had two audit committee members as at the date of this announcement, which is not in compliance with Rule 3.10(2) and Rule 3.21 of the Listing Rules.

REVIEW OF UNAUDITED ANNUAL RESULTS

The Audit Committee has together with the Board reviewed and approved the annual results for the year ended 31 December 2020. The auditing process for the annual results for the year ended 31 December 2020 has not been completed due to the COVID-19 coronavirus outbreak.

Due to the transportation control implemented and the restrictions in transport as a result of the outbreak of COVID-19, the auditors have not been able to finish, all required works before the latest timeline for this announcement. The major audit procedure which have not been completed including, among others, (1) the field audit in Kuantan, Pahang State, Malaysia with respect to the mining right valuation of the Company's mines (2) the Company's payables entities (which are external entities) were still not in full operation to accommodate the audit site visit request; (3) customers in Malaysia were still not in full operation to accommodate the audit site visit request.

As such, the unaudited annual results contained in this announcement have not been agreed with the Company's auditors as required under Rule 13.49(2) of the Listing Rules. An announcement relating to the audited results will be made when the auditing process has been completed by the Company's auditors which is expected to be on or before 30 April 2021.

PUBLICATION OF FURTHER ANNOUNCEMENT, THE FINAL RESULTS AND ANNUAL REPORT

This unaudited annual results announcement is published on the website of the Stock Exchange and the website of the Company. Following the completion of the auditing process, the Company will issue further announcement(s) in relation to the audited results for the year ended 31 December 2020 as agreed by the Company's auditors and the accounting adjustment or material differences (if any) as compared with the unaudited annual results contained herein. In addition, the Company will issue further announcement as and when necessary in a timely manner if there are other material development in the completion of the auditing process. The financial information contained herein in respect of the annual results of the Group for the year ended 31 December 2020 have not been audited and have not been agreed with the auditors, and is subject to possible adjustments. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

The uncertain timing of the current restrictions on travelling arrangements as well as the resumption of operation by the Group's customers and suppliers may have adverse impact on the timeline of the annual report of the financial results for the year ended 31 December 2020 as required under the Listing Rules. The Company will continue to closely monitor the situation and will make updated announcements at appropriate times.

GLOSSARY

"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
"indicated resources"	part of the iron ore resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence as defined by the JORC Code
"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 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

"measure resource"	mineral resource that has been intersected and tested by drill holes or sampling procedures at locations close enough to confirm continuity
"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
"Mt"	million tonnes, which is weight unit of measure for iron ore either on dry basis or on wet basis
"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
"proved reserves"	the economically mineable part of a measured mineral resource, as defined by the JORC Code, which includes diluting materials and allowances for losses which may occur when the material is mined
"RM"	Malaysian Ringgit, the lawful currency of Malaysia
"RMB"	Renminbi, the lawful currency of the People's Republic of China
"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
"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, 31 March 2021

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