

10 June 2022

**High Concentration of Shareholding
CAA Resources Limited (Stock Code: 2112)**

This announcement is made by the Securities and Futures Commission (“SFC”) in respect of the concentration of the shareholding of CAA Resources Limited (“the Company”) in the hands of a limited number of shareholders as at 23 May 2022.

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

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

As at 23 May 2022, the shareholding structure of the Company was as follows:

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

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

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

During the period from 4 February 2022 to 4 March 2022, the closing price of the Shares was within the range of HK\$0.103 to HK\$0.156 with an average daily turnover of HK\$106,537. Since then, the closing price of the Shares increased 712.5% from HK\$0.144 on 4 March

2022 to HK\$1.17 on 29 March 2022 with significant increase in average daily turnover to HK\$2,027,753. On 30 March 2022, the price of the Shares reached a high of HK\$1.30, then fell to a low of HK\$0.73 before closing at HK\$0.96 that day.

Since then, the closing price of the Shares hovered within the range of HK\$0.97 and HK\$0.81 between 31 March 2022 and 23 May 2022.

During the period from 1 March 2022 to 23 May 2022, the Company made the following announcements, amongst others:-

- On 18 March 2022, the Company issued a profit warning with expected loss of not less than US\$50 million and not more than US\$60 million for the year ended 31 December 2021, compared to a loss of US\$29.6 million for the year ended 31 December 2020.
- On 23 March 2022, the Company announced that a petitioner has agreed to withdraw a winding up petition which was initially scheduled to be heard on 30 March 2022.
- On 25 March 2022, Mr. Ng Khing Yeu was appointed as Co-Chairman and Executive Director of the Company.
- On 30 March 2022, the Company announced its unaudited annual results with a loss of US\$57 million for the year ended 31 December 2021 and capital deficiencies of US\$24,274,000 as at 31 December 2021.
- On 29 April 2022, the Company announced its audited annual results with the same amount of loss for the year as that announced on 30 March 2022, with a disclaimer of opinion by the auditors in light of material uncertainties relating to going concern of the Company.

As at 9 June 2022, the closing price of the Shares was HK\$0.83, representing an increase of 476% from the closing price of HK\$0.144 on 4 March 2022.

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

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