

IN THE GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

CAUSE NO. FSD OF 2021 ()

IN THE MATTER OF THE COMPANIES ACT (2021 REVISION)

AND IN THE MATTER OF CAA RESOURCES LIMITED

WINDING UP PETITION



TO: THE GRAND COURT OF THE CAYMAN ISLANDS

The humble petition of CAA RESOURCES LIMITED (the "Petitioner" or the "Company") of Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands, shows that:

Background

1. The Company was incorporated in the Cayman Islands on 25 April 2012 as an exempted company with limited liability pursuant to the laws of Cayman Islands with registration number CT-268429 and has its registered office at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
2. The Company has its principal place of business in Hong Kong at Unit 2413A, 24th Floor, Tower 1, Lippo Centre, 89 Queensway, Admiralty, Hong Kong. The Company is listed on the Main Board of the Hong Kong Stock Exchange ("HKSE") under stock code 02112 and is registered as a non-Hong Kong Company under Part XI of the Companies Ordinance (Chapter 32 of the laws of Hong Kong).
3. The authorised share capital of ordinary shares of the Company is HK\$30 million divided into 3,000,000,000 shares at HK\$0.01 each.

4. Clause 3 of the Company's Articles of Association states that the objects for which the Company was established is unrestricted.
5. The Group is primarily engaged in the business of mining, beneficiating and supplying iron ore and other mineral products. The Group's income mainly comes from the iron ore mining and sales, commodity trading business and investment activities. The primary mining asset of the Group is the iron-ore reserves in Ibam Mine, which is located in the State of Pahang, Malaysia. The Group's key business suppliers and customers of the Group are mainly located in Singapore, Malaysia, Mainland China and Hong Kong.
6. The Company is a holding company which operates through its subsidiaries (together, the "Group"), which include:
 - (a) China Bright Industries Ltd ("China Bright"), which is located in Hong Kong and is engaged in trading of minerals, non-ferrous metals, etc.;
 - (b) 3W Development Ltd, which is located in Hong Kong engaged in investment business; and
 - (c) Pacific Mining Resources SDN BHD, which is located in Malaysia and has the right to mine iron ore, and conduct iron ore mining and processing business.

Board resolution

7. On 28 May 2021, the Company's board of directors resolved to present this winding up petition as it is expressly permitted to do pursuant to Article 162(1) of the Company's Articles of Association, thus complying with the provisions of Section 94(2) of the Companies Act (2021 Revision).

Financial Position

8. The amount of debt already due by the Group and that the Company is unable to pay amounts to approximately US\$182,369,000. As is set out below, various creditors have now demanded repayment.

I-Access Investors Limited (“I-Access”)

9. On 4 February 2020, I-Access served a statutory demand (“I-Access Statutory Demand”) on the Company to demand payment of an alleged outstanding debt of HK\$21,019,178.08 (equivalent to approximately US\$2,705,168.22) within 21 days. On 1 September 2020, I-Access filed a petition (“I-Access Petition”) with the High Court of Hong Kong (Court of First Instance Companies Winding Up No. 277 of 2020) to seek an order to wind up the Company on the ground that the Company is unable to settle the outstanding sum of HK\$19,700,000 (equivalent to approximately US\$2,535,390) plus accrued interest and the agreed costs of HK\$38,000 (equivalent to approximately US\$4,890.60) and legal costs (the “I-Access Debt”).
10. The I-Access Petition was heard before a Master of the High Court of Hong Kong on 5 May 2021. The Hong Kong Court ordered that the hearing of the I-Access Petition be adjourned to 30 June 2021. Subsequently, the hearing was rescheduled for 21 June 2021.
11. As at the date of this Affirmation, the I-Access Debt remains due and outstanding. The Company accepts that it is currently unable to pay the I-Access Debt.

Industrial Bank Co., Limited (“Industrial Bank”)

12. On 15 May 2020, Industrial Bank filed a writ of summons (“Industrial Bank HK Writ”) at the High Court of Hong Kong, against Cosmo Field, being the controlling shareholder of the Company. In the Industrial Bank HK Writ, Industrial Bank seeks repayment of US\$45,059,154.85 (“Industrial Bank Debt”).

13. The Industrial Bank HK Writ relates to Industrial Bank's claim for repayment of a loan of US\$40 million ("Industrial Bank Loan") provided by the Industrial Bank to Cosmo Field and guaranteed by Mr. Li Yang (being the Chairman, the Chief Executive Officer, and the controlling shareholder of the Company) ("Mr. Li").
14. The Industrial Bank Loan is the same amount as the sum which Cosmo Field then advanced to the Company as an interest-free loan ("Shareholder Loan"). Pursuant to a Deed of Assignment dated 23 October 2017 entered into between Cosmo Field and the Industrial Bank, Cosmo Field, among other things, assigned to the Industrial Bank, all of Cosmo Field's rights to be repaid the Shareholder Loan by the Company. In the event that the Industrial Bank Loan remains unpaid by neither Cosmo Field nor Mr. Li, the Industrial Bank may claim against the Company for repayment of the Shareholder Loan, in the place of Cosmo Field.
15. The Industrial Bank Debt remains due and outstanding by Cosmo Field and Mr. Li only, as Industrial Bank has not yet made a claim against the Company for repayment of the Shareholder Loan. However, in the event that Cosmo Field and Mr. Li do not repay the Industrial Bank Debt, and the Industrial Bank proceeds to claim against the Company for repayment of the Shareholders Loan, the Company would be unable to pay the Industrial Bank Debt.

Overseas-Chinese Banking Corporation Limited ("OCBC")

16. On or around 20 January 2020, OCBC filed a writ of summons ("OCBC HK Writ") at the High Court of Hong Kong, against Mr. Li. In the OCBC HK Writ, OCBC seeks repayment of HK\$308,758.494 (equivalent to approximately US\$39,737,218.18) ("OCBC Debt"). The OCBC HK writ relates to OCBC's claim for repayment of a loan ("OCBC Loan") provided by OCBC to China Bright (a subsidiary of the Company, as detailed at paragraph 6(a)), for which Mr. Li is the guarantor.
17. Pursuant to an order of the High Court of Hong Kong dated 21 January 2021, judgment was entered by OCBC against Mr. Li for the OCBC Debt plus interest.

18. Repayment of the OCBC Loan is also guaranteed by the Company pursuant to a Guarantee ("OCBC Guarantee") dated 5 August 2015 executed by the Company acting as the guarantor for the principal, China Bright Mining Limited (being the former name of China Bright), in favour of OCBC. The OCBC Guarantee, among other things, provides that the Company unconditionally and irrevocably guarantees to OCBC due and punctual payment and discharge of all of the guaranteed liabilities of China Bright and that the Company shall immediately on demand pay and discharge the same to OCBC as if the Company was the principal obligor.
19. As at the date of this Affirmation, the OCBC Debt remains due and outstanding by China Bright and Mr. Li only, as OCBC has not yet made a claim against the Company for repayment of the OCBC Loan. However, in the event that China Bright and Mr. Li do not repay the OCBC Debt, and OCBC proceeds to claim against the Company for repayment of the OCBC Loan, the Company would be unable to pay the OCBC Debt.

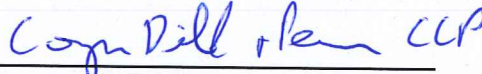
The Petitioner therefore humbly prays that:

- (1) The Company be wound up by the Court pursuant to Section 92(d) of the Companies Act (2021 Revision).
- (2) Mr. Kennic Lai Hang LUI and Ms. LEE Lai Ha, both of KLC Corporate Advisory and Recovery Limited and Mr. Martin Nicholas John Trott of R&H Restructuring (Cayman) Ltd be appointed as joint official liquidators of the Company (the "JOLs") with the power to act jointly and severally.
- (3) The JOLs shall not be required to give security for their appointment.
- (4) The JOLs be authorised to exercise such of the powers specified in Part I of the Third Schedule to the Companies Act (2021 Revision) as the Court may direct.

- (5) No suit, action or other proceeding may be proceeded with or commenced against the Company except with the leave of the Court and subject to such terms as the Court may impose.
- (6) The remuneration and expenses of the JOLs be paid out of the assets of the Company in accordance with Part III of the Insolvency Practitioner's Regulations 2018 and Order 20 of the Companies Winding Up Rules, 2018.
- (7) No disposition of the Company's property by or with the authority of the JOLs in carrying out their duties and functions and exercise of their powers under this Order shall be voided by virtue of section 99 of the Companies Act (2021 Revision).
- (8) The JOLs be at liberty to appoint counsel, attorneys, and professional advisors, whether in the Cayman Islands or elsewhere as they may consider necessary to advise and assist them in the performance of their duties and on such terms as they may think fit and to remunerate them out of the assets of the Company.
- (9) The requirement to form a liquidation committee be dispensed with.
- (10) The JOLs be at liberty to apply generally.
- (11) The costs of this Petition shall be paid out of the assets of the Company, as an expense of the liquidation, to be taxed if not agreed.
- (12) Such further or other relief be granted as the Court deems appropriate.

AND your Petitioner will ever pray etc.

Dated this 4th day of June 2021


Conyers Dill & Pearman LLP

This Petition was filed by Conyers Dill & Pearman LLP, Attorneys-at-Law for and on behalf of the Petitioner herein whose address for service is SIX, Cricket Square, P. O. Box 2681, George Town, Grand Cayman, KY1-1111

Notice of Hearing

TAKE NOTICE THAT the hearing of this petition will take place at the Law Courts, George Town, Grand Cayman on the ____ day of _____ 2021 at _____ am/pm.

Any correspondence or communication with the Court relating to the hearing of this petition should be addressed to the Registrar of the Financial Services Division of the Grand Court at PO Box 495, Grand Cayman, KY1-1106, telephone 345 949 4296.