

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**新礦資源有限公司**  
**NEWTON RESOURCES LTD**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 1231)**

## **UPDATE ON POSITIVE PROFIT ALERT**

This announcement is made by Newton Resources Ltd (the “**Company**”, and together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

Reference is made to the positive profit alert announcement of the Company dated 15 March 2021 (the “**Announcement**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, based on the preliminary review of the then unaudited consolidated management accounts of the Group for the Reporting Period, the net profit for the Reporting Period was originally expected to range from approximately US\$3 million to approximately US\$6 million. The original figure of the expected net profit was arrived at by including the realisation of exchange fluctuation reserve of approximately US\$5 million as part of the gain on disposal of the Discontinued Operations for the Reporting Period with then advice from the independent auditors of the Company.

Subsequent to the publication of the Announcement, the Company received the updated accounting treatment analysis reviewed and advised by the independent auditors of the Company on 19 March 2021 regarding the accounting treatment of such realisation. Taking into consideration the updated accounting treatment analysis, the Board is of the view that it will be more appropriate to treat the realisation of exchange fluctuation reserve resulting from the change in presentation currency of the Group’s consolidated financial statements as a reserve movement during the Reporting Period. As a result, based on the latest information available to the Board, it is now expected that the Group will record a net profit of not exceeding approximately US\$1 million for the Reporting Period as compared to the net loss of approximately US\$10 million (restated) for the Corresponding Prior Period. The aforesaid accounting treatment related only to the determination and recognition of the gain on disposal of the Discontinued Operations completed during the Reporting Period and such gain on disposal is one-off in nature. Details of the changes in functional currency and presentation currency of the Company and the Group and the financial impacts will be further disclosed in the annual results announcement and the annual report for the Reporting Period of the Group.

The Company is still in the process of finalising the annual results of the Group for the Reporting Period. The information contained in this announcement only represents a preliminary assessment by the Board based on the unaudited consolidated management accounts of the Group for the Reporting Period and the information currently available to the Group which have not been reviewed or audited by the Company's auditors nor reviewed by the audit committee of the Company and are subject to adjustments and amendments. Shareholders and potential investors are advised to read carefully the annual results announcement of the Group for the Reporting Period which is expected to be published before the end of March 2021.

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

By Order of the Board  
**Newton Resources Ltd**  
**Chong Tin Lung, Benny**  
*Chairman and Executive Director*

Hong Kong, 19 March 2021

*As at the date of this announcement, the executive Directors are Mr. Chong Tin Lung, Benny, and Mr. Luk Yue Kan; and the independent non-executive Directors are Mr. Tsui King Fai, Mr. Lee Kwan Hung, Eddie and Mr. Shin Yick, Fabian.*