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新礦資源有限公司
NEWTON RESOURCES LTD

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

PROFIT WARNING

This announcement is made by Newton Resources Ltd (the “**Company**”, and together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (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).

Based on preliminary review of the unaudited consolidated management accounts of the Group for the nine months ended 30 September 2021 and other information available to the Group, the board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Group has recorded an unaudited net loss for the nine months ended 30 September 2021 and is expected to record a net loss of not less than US\$1 million for the year ending 31 December 2021 (the “**Current Year**”), as compared to the net profit of US\$0.8 million for the year ended 31 December 2020 (the “**Corresponding Prior Year**”).

The major reasons for the expected deterioration in the annual results of the Group for the Current Year include (i) the expected overall decrease in the gross profit of the Group as compared to the Corresponding Prior Year which was mainly attributed to the significant decrease in the quantity and the inferior quality of iron ore supply during the Current Year and the significant drop in the iron ore market prices subsequent to 30 June 2021; and (ii) the impairment loss on other current financial asset of the Group of approximately US\$1.3 million made during the six months period ended 30 June 2021 (nil for the Corresponding Prior Year).

The information contained in this announcement is only based on the preliminary assessment and estimates made by the Board with reference to the unaudited financial information of the Group for the nine months ended 30 September 2021 and other information currently available to the Group, and is not based on any information or figures which have been audited or reviewed by the Company’s auditors and the audit committee of the Company and may be subject to possible adjustments. The Group’s annual results for the Current Year may differ from the information contained in this announcement. Further details of the Group’s financial results and performance for the Current Year will be disclosed in the Company’s annual results announcement for the Current Year to be published in March 2022 in compliance with the Listing Rules.

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, 23 November 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.