新礦資源有限公司
NEWTON RESOURCES LTD

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

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 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 the preliminary review of the latest unaudited consolidated management accounts of the Group for the six months ended 30 June 2020 (the "**Reporting Period**"), the board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that the Group is expected to record a consolidated net profit for the Reporting Period in the range of approximately RMB5 million to approximately RMB8 million as compared to the consolidated net loss of approximately RMB15 million for the six months ended 30 June 2019 (the "**Corresponding Prior Period**").

The overall improvement in the financial results of the Group is mainly attributable to the significant decrease in net loss contributed by the Group's discontinued operations at the Yanjiazhuang Mine (the "**Discontinued Operations**") by approximately RMB23 million during the Reporting Period, as compared with the Corresponding Prior Period. The disposal of the Discontinued Operations (the "**Disposal**") had been completed in June 2020. The aforesaid decrease in net loss of the Discontinued Operations can mainly be attributed to (i) the absence of impairment losses of approximately RMB7 million that were recognised for the Discontinued Operations for the Corresponding Prior Period; (ii) the recognition of write-back of certain other payables of approximately RMB8 million during the Reporting Period as a result of the Disposal; and (iii) the steps taken to mitigate the operating loss arising from the Discontinued Operations during the Reporting Period.

As the consolidated interim results of the Group for the Reporting Period (the "**Interim Results**") have not yet been finalised, the information contained in this announcement is only based on the preliminary assessment by the Board with reference to the latest unaudited consolidated management accounts of the Group and other information currently available to the Board, and is not based on any information or figures which have been audited or reviewed by the Company's auditors and therefore may be subject to changes and adjustments. Shareholders and potential investors are advised to read carefully the Interim Results announcement of the Company which is expected to be published before the end of August 2020.

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, 12 August 2020

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.