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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)

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).

The board (the "**Board**") of directors (the "**Directors**") of the Company would like to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2020 (the "**Reporting Period**"), the Group is expected to record a net profit for the year in the range from approximately US$3 million to approximately US$6 million for the Reporting Period as compared to the net loss for the year ended 31 December 2019 (the "**Corresponding Prior Period**") of approximately US$10 million (restated). Attributed to the completion of disposal of certain subsidiaries (the "**Discontinued Operations**"), the Company's functional currency and the presentation currency of the Company's and the Group's financial statements have been changed to the United States Dollars ("**USD**") during the Reporting Period, which shall better reflect and present the consolidated financial results to the Shareholders. As a result, the comparative information of the Group's consolidated financial statements has been restated and presented in USD as if USD had been the Group's presentation currency for the prior periods. Also, the Group shall recognise the realisation of exchange fluctuation reserve as part of the gain on disposal of the Discontinued Operations for the Reporting Period. 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 expected overall improved financial results of the Group for the Reporting Period are mainly attributable to (i) the improvement in the operating results of and the growth in the Group's resources business as reflected in the increase in the Group's revenue and gross profit derived from the sales of iron ore by not less than 50% respectively; (ii) the recognition of one-off gain on aforesaid disposal of the Discontinued Operations completed during the Reporting Period of approximately US$5 million (restated); and (iii) the absence of non-recurring impairment losses on other current financial assets of the Group of approximately US$2 million (restated) and the net operating loss of and impairment losses attributed to the Discontinued Operations of approximately US$4 million (restated) and approximately US$3 million (restated), respectively, that were recognised for the Corresponding Prior Period.

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. 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, 15 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.