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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 six months ended 30 June 2022 (the “**Current Period**”) 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 is expected to record a net profit of not more than approximately US\$0.2 million for the Current Period, as compared to the net profit of approximately US\$1.2 million for the six months ended 30 June 2021 (the “**Corresponding Prior Period**”).

The expected deterioration in the interim results of the Group for the Current Period as compared to the Corresponding Prior Period is mainly due to the complex and difficult business environment faced by the Group during the Current Period as affected by, among others, the ongoing coronavirus disease 2019 pandemic with the spread of highly contagious Omicron variant and pandemic-induced mobility restrictions with adverse impacts on the economy in China and across the globe, highly volatile and decreasing iron ore market prices, and reduced demand of iron ores by and poor profitability of the Chinese steel mills. Attributed to these factors, the Group’s business volume and average unit selling prices for the sales of iron ores decreased, resulting in an expected significant reduction in the revenue and gross profit for the Current Period as compared to those recorded for the Corresponding Prior Period. As a result, it is expected that the Group shall record a significant decrease in the net profit for the Current Period, as compared to that for the Corresponding Prior Period.

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 Current Period 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 interim results for the Current Period may differ from the

information contained in this announcement. Further details of the Group's financial results and performance for the Current Period will be disclosed in the Company's interim results announcement for the Current Period to be published in August 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, 22 July 2022

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.