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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)**

**INTERIM RESULTS FOR  
THE SIX-MONTH PERIOD ENDED 30 JUNE 2025**

The Board wishes to announce the unaudited consolidated interim results of the Group for the Reporting Period together with the comparative figures for the Corresponding Prior Period as follows:

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

*Six-month period ended 30 June 2025*

		<b>Six-month period ended 30 June</b>	
	<i>Notes</i>	<b>2025</b>	2024
		<b>US\$'000</b>	US\$'000
		<b>(Unaudited)</b>	(Unaudited)
<b>Revenue</b>	<b>3</b>	<b>108,681</b>	174,757
Cost of sales		<u>(106,497)</u>	<u>(169,777)</u>
<b>Gross profit</b>		<b>2,184</b>	4,980
Other income and gains, net		<b>269</b>	254
Selling and distribution costs		<b>(1,175)</b>	(1,632)
Administrative expenses		<b>(1,322)</b>	(1,279)
Finance expenses, net		<b>(370)</b>	(583)
Share of loss of an associate		<u><b>(1)</b></u>	<u>(4)</u>
<b>(Loss)/profit before tax</b>	<b>4</b>	<b>(415)</b>	1,736
Income tax expenses	<b>5</b>	<u><b>(22)</b></u>	<u>(329)</u>
<b>(Loss)/profit for the period</b>		<u><b>(437)</b></u>	<u>1,407</u>

		Six-month period ended 30 June	
		2025	2024
		US\$'000	US\$'000
Notes		(Unaudited)	(Unaudited)
<b>Other comprehensive income</b>			
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>			
	Exchange differences on translation of foreign operations	<u>50</u>	<u>(4)</u>
	<b>Other comprehensive income for the period, net of tax</b>	<u>50</u>	<u>(4)</u>
	<b>Total comprehensive income for the period</b>	<u><u>(387)</u></u>	<u><u>1,403</u></u>
<b>(Loss)/profit attributable to:</b>			
	Owners of the Company	(350)	1,421
	Non-controlling interests	<u>(87)</u>	<u>(14)</u>
		<u><u>(437)</u></u>	<u><u>1,407</u></u>
<b>Total comprehensive income attributable to:</b>			
	Owners of the Company	(307)	1,417
	Non-controlling interests	<u>(80)</u>	<u>(14)</u>
		<u><u>(387)</u></u>	<u><u>1,403</u></u>
<b>(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY</b>			
	Basic and diluted ( <i>US cents</i> )	<u><u>(0.01)</u></u>	<u><u>0.04</u></u>

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# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

		30 June 2025 US\$'000 (Unaudited)	31 December 2024 US\$'000 (Audited)
	Notes		
<b>Non-current assets</b>			
Property, plant and equipment		37	46
Right-of-use assets		393	478
Other long-term asset		5,219	6,640
Investment in an associate		184	183
		<u>5,833</u>	<u>7,347</u>
Total non-current assets			
		<u>5,833</u>	<u>7,347</u>
<b>Current assets</b>			
Trade and bills receivables	8	23,914	36,317
Other current financial assets		3,690	4,307
Prepayments and other receivables		3,439	1,242
Income tax recoverable		24	23
Restricted bank deposits		4,915	6,199
Cash and cash equivalents		15,590	15,979
		<u>51,572</u>	<u>64,067</u>
Total current assets			
		<u>51,572</u>	<u>64,067</u>
<b>Current liabilities</b>			
Trade and bills payables	9	22,114	36,779
Other current financial liabilities		1,580	748
Contract liabilities		580	634
Other payables and accruals		3,142	2,786
Interest-bearing bank and other borrowings		162	161
		<u>27,578</u>	<u>41,108</u>
Total current liabilities			
		<u>27,578</u>	<u>41,108</u>
<b>Net current assets</b>		<u>23,994</u>	<u>22,959</u>
<b>Total assets less current liabilities</b>		<u>29,827</u>	<u>30,306</u>
<b>Non-current liabilities</b>			
Interest-bearing bank and other borrowings		232	324
		<u>232</u>	<u>324</u>
Total non-current liabilities			
		<u>232</u>	<u>324</u>
<b>Net assets</b>		<u>29,595</u>	<u>29,982</u>
<b>Equity</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		46,890	46,890
Reserves		(18,065)	(17,758)
		<u>28,825</u>	<u>29,132</u>
<b>Non-controlling interests</b>		770	850
		<u>770</u>	<u>850</u>
<b>Total equity</b>		<u>29,595</u>	<u>29,982</u>

## NOTES:

### 1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six-month period ended 30 June 2025 (the “Interim Financial Information”) has been prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board and the disclosure requirements of the Listing Rules.

The Interim Financial Information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024.

### 2. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the Interim Financial Information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended IFRS Accounting Standard for the first time for the current period’s financial information.

Amendments to IAS 21

*Lack of Exchangeability*

The adoption of the amended IFRS Accounting Standard in the current period has had no material impact on the Group’s financial performance and positions for the Reporting Period and on disclosures set out in the Interim Financial Information.

### 3. REVENUE AND SEGMENT INFORMATION

During the Reporting Period, the principal activities of the Group included sourcing and supply of iron ores and other commodities (the “Resources Business”). The Resources Business was the only reportable business segment of the Group during the six-month periods ended 30 June 2025 and 2024. Revenue from contracts with customers by geographical location is categorised based on the ports of discharge of the Group’s iron ores, which were in Mainland China during the six-month periods ended 30 June 2025 and 2024.

An analysis of revenue is as follows:

	<b>Six-month period ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>US\$'000</b>	<b>US\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue from contracts with customers	<b>109,278</b>	176,824
Revenue from other sources:		
Quotation period price adjustments ( <i>Note</i> )		
– relating to prior period shipments	<b>947</b>	(3,779)
– relating to current period shipments	<b>(1,602)</b>	(5,225)
Net gains on iron ore futures or swap contracts	<b>58</b>	6,937
Total	<b><u>108,681</u></b>	<b><u>174,757</u></b>

*Note:* The Group has continued to adopt the provisional pricing arrangements for the sales of certain iron ore products and those sales to the customers are subject to future quotation periods (the “QPs”) that differ from the periods that the inventories are delivered and finalising the iron ore selling prices based on the agreed market pricing formulae taking into account the relevant benchmark prices and indices of future QPs. As a result, certain of the Group’s iron ore products are provisionally priced at the date when revenue is recognised. In this regard, such revenue from contracts with customers is measured at the estimated forward commodity prices of the relevant QPs prevailing at the date or for the period when the inventories are sold, being the amount to which the Group is expected to be entitled at the end of future QPs. Any future price movements that occur up till the end of the QP are embedded within the Group’s trade receivables. Subsequent changes in value of the provisionally priced receivables are based on the estimated forward commodity prices under the relevant QPs and are recognised as “revenue from other sources” and included in “quotation period price adjustments” above. As at 30 June 2025 and 2024, certain of the Group’s revenue, that was recognised subject to provisional pricing adjustments, has yet to be finalised. Such revenue would usually be finalised within three months after the inventories were delivered.

## Disaggregated revenue information for revenue from contracts with customers

	Six-month period ended 30 June	
	2025	2024
	US\$'000	US\$'000
	(Unaudited)	(Unaudited)
<b>Types of goods/services</b>		
Sale of iron ores	101,956	157,966
Shipping services	7,322	18,858
	<u>101,956</u>	<u>157,966</u>
Total revenue from contracts with customers	<u>109,278</u>	<u>176,824</u>
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	101,956	157,966
Services transferred over time	7,322	18,858
	<u>101,956</u>	<u>157,966</u>
Total revenue from contracts with customers	<u>109,278</u>	<u>176,824</u>

## 4. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is arrived at after charging/(crediting):

	Six-month period ended 30 June	
	2025	2024
	US\$'000	US\$'000
	(Unaudited)	(Unaudited)
Cost of inventories sold	98,556	137,895
Shipping costs	7,492	18,587
Net (gains)/losses on iron ore futures or swap contracts included in cost of sales	(972)	11,792
Amortisation of other long-term asset included in cost of sales	1,421	1,503
Depreciation of items of property, plant and equipment	13	36
Depreciation of right-of-use assets	85	92
Interest on bank and other borrowings	69	262
	<u>98,556</u>	<u>137,895</u>

## 5. INCOME TAX EXPENSES

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the Reporting Period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2024: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (2024: 16.5%).

	Six-month period ended 30 June	
	2025	2024
	US\$'000	US\$'000
	(Unaudited)	(Unaudited)
Current – Hong Kong profits tax	<u>22</u>	<u>329</u>

## 6. DIVIDEND

The Directors do not recommend the payment of an interim dividend to Shareholders for the six-month period ended 30 June 2025 (six-month period ended 30 June 2024: Nil).

## 7. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic (loss)/earnings per share amounts is based on the (loss)/profit for the periods attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 4,000,000,000 outstanding during the six-month periods ended 30 June 2025 and 2024.

The calculation of basic (loss)/earnings per share is based on:

	Six-month period ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
<b>(Loss)/earnings</b>		
(Loss)/profit attributable to ordinary equity holders of the Company, used in the basic (loss)/earnings per share calculation (US\$'000)	<u>(350)</u>	<u>1,421</u>
<b>Shares</b>		
Weighted average number of ordinary shares outstanding during the period used in the basic (loss)/earnings per share calculation (thousands of shares)	<u>4,000,000</u>	<u>4,000,000</u>

Diluted (loss)/earnings per share amounts were the same as the basic (loss)/earnings per share amounts as the Company had no potentially dilutive ordinary shares outstanding during the six-month periods ended 30 June 2025 and 2024.

## 8. TRADE AND BILLS RECEIVABLES

	<b>30 June 2025 US\$'000 (Unaudited)</b>	<b>31 December 2024 US\$'000 (Audited)</b>
Trade receivables	<b>16,909</b>	2,422
Bills receivables	<b>7,005</b>	33,895
Total	<b>23,914</b>	36,317

The Group's trading terms with its customers generally require deposits or letters of credit, except for creditworthy customers to whom credits are granted. Generally, on presentation of shipping documents and the provisional invoices, the customers shall settle 95% or more of the invoiced value of the cargoes by prescribed payment due dates and the remaining sales proceeds shall be settled within 30 days from the dates of the final invoices. Sales are invoiced and settled in US\$.

The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by management. The Group has not held any collateral or other credit enhancements over its trade receivable balances.

As at 30 June 2025 and 31 December 2024, the Group's trade and bills receivables were non-interest-bearing.

Set out below is the measurement of trade and bills receivables of the Group as at 30 June 2025 and 31 December 2024.

	<b>30 June 2025 US\$'000 (Unaudited)</b>	<b>31 December 2024 US\$'000 (Audited)</b>
Trade and bills receivables		
– at amortised cost	<b>7,005</b>	33,895
– at fair value through profit or loss ( <i>Note</i> )	<b>16,909</b>	2,422
Total	<b>23,914</b>	36,317

*Note:* The Group's trade and bills receivables include provisionally priced receivables relating to sales of iron ores where the selling prices of iron ores are determined based on the agreed market pricing formulae, taking into account the relevant benchmark prices and indices subject to future QPs that differ from the periods that the inventories are delivered. Under IFRS 9, these provisionally priced receivables, amounting to US\$16,909,000, were measured at the estimated forward commodity prices of the relevant QPs at 30 June 2025 (31 December 2024: US\$2,422,000) and were stated at fair value.



An ageing analysis of the trade and bills receivables as at the end of the respective reporting periods, based on the invoice date, net of loss allowance, is as follows:

	<b>30 June 2025 US\$'000 (Unaudited)</b>	<b>31 December 2024 US\$'000 (Audited)</b>
Within 3 months	<b>23,914</b>	<b>36,317</b>

## 9. TRADE AND BILLS PAYABLES

Certain of the Group's purchases are settled by letters of credit up to a tenor of 120 days. As at 30 June 2025, the Group's bills payables amounted to US\$5,650,000 (31 December 2024: US\$31,093,000). An ageing analysis of the trade and bills payables as at the end of the respective reporting periods, based on the invoice date, is as follows:

	<b>30 June 2025 US\$'000 (Unaudited)</b>	<b>31 December 2024 US\$'000 (Audited)</b>
Within 3 months	<b>22,114</b>	<b>36,779</b>

The Group's trade and bills payables were non-interest-bearing as at 30 June 2025 and 31 December 2024.

Set out below is the measurement of trade and bills payables of the Group as at 30 June 2025 and 31 December 2024.

	<b>30 June 2025 US\$'000 (Unaudited)</b>	<b>31 December 2024 US\$'000 (Audited)</b>
Trade and bills payables		
– at amortised cost	<b>6,037</b>	31,373
– at fair value through profit or loss ( <i>Note</i> )	<b>16,077</b>	5,406
Total	<b>22,114</b>	<b>36,779</b>

*Note:* The Group's trade and bills payables include provisionally priced payables relating to purchase of iron ores where the purchasing prices of iron ores are determined based on the agreed market pricing formulae, taking into account the relevant benchmark prices and indices subject to future QPs that differ from the periods that the inventories are delivered. Under IFRS 9, these provisionally priced payables, amounting to US\$16,077,000, were measured at the estimated forward commodity prices of the relevant QPs at 30 June 2025 (31 December 2024: US\$5,406,000) and were stated at the fair value.

## CHAIRMAN'S STATEMENT

On behalf of the Board, I hereby present the Company's interim results for the Reporting Period.

For the Reporting Period, the Group reported revenue of approximately US\$108.7 million, a decline from approximately US\$174.8 million for the Corresponding Prior Period. Affected by a reduction in the quantity of iron ores supplied by a key supplier and a significant drop in unit gross profit of iron ores due to weak demand for the Group's iron ores during the Reporting Period, the Group's revenue and gross profit for the Reporting Period decreased by approximately US\$66.1 million and approximately US\$2.8 million, respectively, as compared to the Corresponding Prior Period. The Group recorded net loss of approximately US\$0.4 million for the Reporting Period, compared to net profit of approximately US\$1.4 million for the Corresponding Prior Period.

Looking ahead, the second half of 2025 will remain challenging for the Group. We will continue to keep abreast of the business and market development and take necessary steps to secure the swift sales of iron ores. Additionally, the Group will continue to identify and explore new sources of iron ores and other commodities to diversify our product offerings. We will also explore mergers and acquisitions, other collaboration or investment opportunities as appropriate to strengthen our sustainable development.

Taking this opportunity, I would like to express my sincerest gratitude to my fellow Board members, our management, our business development team and all the staff members for their dedication and commitment. On behalf of the Board, I would like to express my sincere thanks to all Shareholders, customers, suppliers, banks and business partners for their unwavering support.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL HIGHLIGHTS

	Six-month period ended 30 June	
	2025	2024
	US\$'000	US\$'000
Revenue	108,681	174,757
Gross profit	2,184	4,980
(Loss)/profit for the period	(437)	1,407
Basic (loss)/earnings per share ( <i>US cents</i> )	<u>(0.01)</u>	<u>0.04</u>
	30 June	31 December
	2025	2024
	US\$'000	US\$'000
Total assets	57,405	71,414
Total equity	29,595	29,982
Net cash <sup>1</sup>	<u>15,196</u>	<u>15,494</u>
	30 June	31 December
	2025	2024
Liquidity ratio <sup>2</sup>	<u>1.9</u>	<u>1.6</u>

<sup>1</sup> Net cash is defined as cash and cash equivalents less interest-bearing bank and other borrowings

<sup>2</sup> Liquidity ratio is computed as total current assets divided by total current liabilities

## BUSINESS AND FINANCIAL REVIEW

China's economy grew about 5.3% year-on-year during the Reporting Period. While the real estate market in China remains weak, steel and iron ores consumption in the manufacturing sector has shown resilience. The consumption of iron ores in China remained high during the Reporting Period. Attributed to the effort of the Group's management and the business development team, the Group has successfully secured the swift sales of its iron ores during the Reporting Period.

With the supply of medium to high-grade Hematite Ores from Koolan, the Group's iron ores were mainly priced with reference to the Platts 62% Fe CFR North China index (the "Platts IODEX Price") or the Platts 65% Fe CFR North China index (the "65 IO Price"), where applicable, with price adjustments based on the quality and impurity level and cargo specifications. To accommodate the needs and requests of the Group's customers and suppliers, the Group's iron ores were priced with reference to market indices under different price quotation periods.

In view of prevailing concerns regarding the potential impacts of increased United States trade tariffs and ongoing conflicts in the Middle East on both global and Chinese economic conditions, both the Platts IODEX Price and the 65 IO Price trended downwards during the Reporting Period, with the Platts IODEX Price recording an average of approximately US\$101 per tonne (approximately US\$117 per tonne for the Corresponding Prior Period) and the 65 IO Price recording an average of approximately US\$113 per tonne (approximately US\$131 per tonne for the Corresponding Prior Period).

The Group's revenue for the Reporting Period amounted to approximately US\$108.7 million (approximately US\$174.8 million for the Corresponding Prior Period), representing a drop of about 38% period-over-period. There was also an overall decrease in the Group's gross profit to approximately US\$2.2 million (approximately US\$5.0 million for the Corresponding Prior Period). The decline in the Group's business performance and financial results for the Reporting Period was largely driven by a reduction in gross profit compared to the Corresponding Prior Period. This decline was mainly attributed to two factors: (i) a reduction in the quantity of iron ores supplied by a key supplier in the Reporting Period compared to the Corresponding Prior Period which led to a reduction in sales and gross profit; and (ii) a significant drop in unit gross profit of iron ores due to weak demand for the Group's iron ores during the Reporting Period. As a result, the Group recorded a net loss of approximately US\$0.4 million for the Reporting Period (a net profit of approximately US\$1.4 million for the Corresponding Prior Period).

The Group purchased and sold about 1.2 Mt of iron ores (about 1.5 Mt for the Corresponding Prior Period), comprising about 1.0 Mt of Hematite Ores sourced from Koolan and about 0.2 Mt of iron ores sourced from other mines during the Reporting Period (about 1.2 Mt and 0.3 Mt respectively for the Corresponding Prior Period), representing a drop by about 20% period-over-period. The average iron grade of the Group's Hematite Ores was about 64% Fe during the Reporting Period (about 65% Fe for the Corresponding Prior Period), which remained steady.

The iron ore and steel markets were complicated and fast-changing. The seaborne iron ore market prices continued to be volatile and hedging tools and derivatives were executed to mitigate the Group's exposures to the fluctuations in the market indices arising from the difference in price quotation periods for iron ore sales and purchases. During the Reporting Period, the Group recorded net gains of approximately US\$0.1 million (net gains of approximately US\$6.9 million for the Corresponding Prior Period) and net gains of approximately US\$1.0 million (net losses of approximately US\$11.8 million for the Corresponding Prior Period) from the hedging transactions which were recognised as part of the Group's revenue and cost of sales, respectively.

The Group's revenue attributed to the provision of iron ore shipping services amounted to approximately US\$7.3 million for the Reporting Period (approximately US\$18.9 million for the Corresponding Prior Period), representing a decrease of about 61% period-over-period. Such decrease was mainly attributable to (i) the overall decrease in the quantity of iron ores sold by the Group during the Reporting Period as compared to the Corresponding Prior Period; and (ii) more iron ores were sold on a Free on Board basis during the Reporting Period.

The Group had a healthy financial position as at 30 June 2025 with total assets of approximately US\$57.4 million (approximately US\$71.4 million as at 31 December 2024). Attributed to the decrease in iron ore shipments before 30 June 2025, the Group's trade and bills receivables as at 30 June 2025 decreased by approximately US\$12.4 million, leading to the overall decrease in the Group's total assets as at 30 June 2025.

The Group had total liabilities of approximately US\$27.8 million as at 30 June 2025 (approximately US\$41.4 million as at 31 December 2024), representing a decrease of approximately US\$13.6 million. The overall decrease in the Group's total liabilities as at 30 June 2025 was mainly attributable to the decrease in the trade and bills payables by approximately US\$14.7 million as the Group's iron ore shipments decreased before end of the Reporting Period.

## **INTERIM DIVIDEND**

The Board does not recommend the payment of an interim dividend for the Reporting Period (Nil for the Corresponding Prior Period).

## **SEGMENT INFORMATION**

The Group was principally engaged in the Resources Business throughout the Reporting Period and the Corresponding Prior Period. The Group's revenue from customers by geographical segment is categorised based on the ports of discharge of the Group's iron ores, which were all in Mainland China for the Reporting Period and the Corresponding Prior Period.

Further details of the Group's segment information and segment results are set out in Note 3 and the discussion of the business performance of the Resources Business is set out in the section headed "Business and Financial Review" above.

## **FINANCIAL RESOURCES, CAPITAL STRUCTURE AND LIQUIDITY**

The Group has a treasury policy to monitor its funding requirements and perform ongoing liquidity reviews. This approach takes into consideration the maturity of the Group's financial instruments, financial assets and liabilities, projected cash flows from operations and the general working capital requirements. During the Reporting Period, the Group financed its operation with internal financial resources and trade finance banking facilities. The Group's objective is to maintain a balance between the continuity of funds and flexibility through the effective use of these financing sources.

As at 30 June 2025, the Group's total equity amounted to approximately US\$29.6 million (approximately US\$30.0 million as at 31 December 2024). In line with the loss recorded for the Reporting Period, the Group's total equity decreased by approximately US\$0.4 million.

The cash and cash equivalents of the Group amounted to approximately US\$15.6 million as at 30 June 2025 (approximately US\$16.0 million as at 31 December 2024), representing about 27% (about 22% as at 31 December 2024) of the total assets of the Group. The Group's cash and cash equivalents were mainly denominated as to about 97% in USD as at 30 June 2025 (about 97% in USD as at 31 December 2024). In addition, the Group had approximately US\$4.9 million restricted bank deposits denominated in USD to secure the issuance of letters of credit by banks to the suppliers as at 30 June 2025 (approximately US\$6.2 million as at 31 December 2024).

As at 30 June 2025, the Group had interest-bearing bank and other borrowings of approximately US\$0.4 million (approximately US\$0.5 million as at 31 December 2024). All of the Group's interest-bearing bank and other borrowings bore fixed interest rates, were unsecured and denominated in HKD as at 30 June 2025 and 31 December 2024. As at 30 June 2025, about 41% (about 33% as at 31 December 2024) of such interest-bearing bank and other borrowings will mature within one year or on demand. Attributed to the decrease in iron ore shipments before 30 June 2025, the Group did not have any bank borrowings secured by bills receivable as at 30 June 2025.

The Group's recorded net cash was approximately US\$15.2 million as at 30 June 2025 (approximately US\$15.5 million as at 31 December 2024) and it is therefore not considered to have any net gearing. The Group's liquidity ratio was about 1.9 as at 30 June 2025 (about 1.6 as at 31 December 2024). The Group's liquidity remained stable and healthy as at 30 June 2025.

The Group had in aggregate unutilised committed borrowing facilities and trade finance banking facilities of approximately US\$302.3 million for the Resources Business as at 30 June 2025 (approximately US\$288.0 million as at 31 December 2024). The Group will continue to negotiate for new trade finance facilities with banks to support its continual development.

## **PLEDGE OF ASSETS**

As at 30 June 2025 and 31 December 2024, no property, plant and equipment or right-of-use assets were pledged for the Group's bank borrowing or banking facilities. The Group's utilised banking facilities as at 30 June 2025 were secured by restricted bank deposits in an aggregate amount of approximately US\$4.9 million (approximately US\$6.2 million as at 31 December 2024).

## **EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES**

The Group's business activities were principally carried out in Hong Kong and most of the transactions were denominated in USD, the Group's functional currency. Since HKD is pegged to USD, the Group's exposure to foreign currency risk was considered to be minimal during the Reporting Period. Therefore, the Group was considered to have insignificant exposure to exchange rate fluctuation during the Reporting Period. Currently, the Group does not have any foreign currency hedging policy.

## **EXPOSURE TO FLUCTUATIONS IN COMMODITY PRICES**

During the Reporting Period, the Group continued to manage the operational exposure to fluctuations in iron ore market prices by entering into iron ore futures or swap contracts. The Group's hedging executives managed such exposure by executing approved hedging strategies and hedging instruments. Through business negotiation and the use of hedging instruments, the Group shall be able to hedge against part of the fluctuations in iron ore market prices arising from the Resources Business. The pricing mechanism in the Group's iron ore sales and purchase contracts reflects reference index prices. The reference index prices mostly adopted by the Group during the Reporting Period were the Platts IODEX Price and the 65 IO Price.

As at 30 June 2025, the Group had an aggregate open position of iron ore futures or swap contracts of 595,000 tonnes expiring by the end of August 2025 with a negative carrying value of approximately US\$0.4 million which had been recognised as financial liabilities at fair value through profit or loss and included in the other current financial liabilities in the condensed consolidated statement of financial position of the Group.

## **SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS**

During the Reporting Period, the Group had no significant investments, nor any material acquisitions or disposals of subsidiaries, associates and joint ventures.

The Group did not have any specific future plans for material investments or capital assets as at the date of this announcement. Nevertheless, the Group will continue to explore and evaluate projects and investment opportunities with the potential to create value for the Shareholders in the long run.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 June 2025, the Group had a total of 31 (33 as at 31 December 2024) employees in Hong Kong and Mainland China. During the Reporting Period, the Group's staff costs (inclusive of Directors' emoluments) were approximately US\$1.5 million (approximately US\$1.8 million for the Corresponding Prior Period).

The remuneration packages of the employees are structured by reference to job nature (including geographical locations) and prevailing market conditions and are subject to periodic review. Year-end bonus and share options are available to reward employees in line with their performances and industry practice. In addition, the Group encourages its employees to receive training that is suitable for their job nature and caters to their needs of obtaining certain professional qualifications.

The emoluments of the Directors, comprising the Director's fees, salary packages, discretionary bonuses and share options, were reviewed and determined by the Board based on the recommendations from the Remuneration Committee with reference to the Company's performance, the Director's duties and responsibilities with the Company, their time commitment and contributions to the Company and the prevailing market conditions. The Director's remuneration is subject to annual review by the Remuneration Committee and the Board with the authorisation granted by the Shareholders at an annual general meeting of the Company.

The human resources department of the Group is responsible for the collection and administration of the human resources data and for making recommendations to the Remuneration Committee for consideration. The Remuneration Committee consults with the chairman of the Board about these recommendations on remuneration policy and structure and remuneration packages. The Remuneration Committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration.

## **CONTINGENT LIABILITIES**

As at 30 June 2025, the Group did not have any material contingent liabilities.

## **EVENT AFTER THE REPORTING PERIOD**

From 30 June 2025 to the date of this announcement, there was no important event affecting the Group.



## **OUTLOOK AND FUTURE PLANS**

The Group's business is expected to face a multitude of challenges in the second half of 2025. The downside risks are likely to persist in 2025 which could adversely affect the Group's businesses and financial performance. The Hematite Mine has an estimated remaining mine life of 12 to 18 months. According to a major supplier of the Group, run-of-mine grades are anticipated to remain around 65% Fe, with occasional shipments of slightly lower-grade cargoes to capitalise on market conditions going forward.

Looking ahead, the global iron ore market will be a mix of opportunities and disruptions. The Group will keep abreast of the macroeconomic developments and the impact of fiscal policies, as well as any significant changes in supply and demand fundamentals in the iron ore and steel markets. The Group will also continue to identify and explore new sources of iron ores and other commodities to diversify its product offerings and explore mergers and acquisitions, investment opportunities or other collaboration as appropriate to support its sustainable development.

## **CORPORATE GOVERNANCE PRACTICES**

As part of the Company's unwavering commitment to high standards of corporate governance, it has adopted all applicable Code Provisions and, where appropriate, Recommended Best Practices as set out in part 2 of the CG Code throughout the Reporting Period. So far as known to the Directors, there has been no material deviation from the applicable Code Provisions set out in part 2 of the CG Code during the Reporting Period.

During the Reporting Period, the Company did not have a chief executive officer and the function was discharged by the executive Director other than the chairman of the Board.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry with all Directors, the Directors have confirmed their compliance with the required standard set out in the Model Code during the Reporting Period.

## **REVIEW OF INTERIM FINANCIAL INFORMATION**

The Audit Committee has reviewed the unaudited interim results and interim report of the Company containing unaudited Interim Financial Information of the Group for the Reporting Period and has no disagreement with such accounting treatments adopted by the Group. In addition, the Company's auditor, Messrs. Ernst & Young, has reviewed the unaudited Interim Financial Information of the Group for the Reporting Period in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Hong Kong Institute of Certified Public Accountants.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company.

## **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT**

This interim results announcement is published on the websites of the Stock Exchange and the Company. The interim report of the Company for the Reporting Period will be made available to the Shareholders and published on the above websites in due course.



## GLOSSARY OF TERMS

In this announcement, unless the context otherwise requires, the following expressions have the meanings as mentioned below:

“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors
“CG Code”	the Corporate Governance Code contained in Appendix C1 to the Listing Rules, as applicable for the Reporting Period
“Company”	Newton Resources Ltd, a company incorporated in the Cayman Islands with limited liability, and the shares of which are listed on the Main Board of the Stock Exchange
“Corresponding Prior Period”	the six-month period ended 30 June 2024
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries collectively
“Hematite Ore(s)”	the iron ore(s) of high-grade for direct shipping ore sales
“HK\$” or “HKD”	Hong Kong dollar
“Koolan”	Koolan Iron Ore Pty Limited, a company incorporated in Australia, the registered holder of the hematite mine and an indirect wholly-owned subsidiary of Mount Gibson Iron Limited, a company incorporated in Australia, the shares of which are listed on the Australian Securities Exchange (ASX: MGX)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
“Mt”	million tonnes

“Remuneration Committee”	the remuneration committee of the Company
“Reporting Period”	the six-month period ended 30 June 2025
“Share(s)”	existing ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“tonne(s)”	equal to 1,000 kilograms
“US\$” or “USD”	the United States dollar

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

Hong Kong, 26 August 2025

*As at the date of this announcement, the executive Directors are Mr. Chong Tin Lung, Benny, and Mr. Lam Chun Kit; the non-executive Director is Mr. Chen Hongyuan; and the independent non-executive Directors are Mr. Tsui King Fai, Mr. Lee Kwan Hung, Eddie, Mr. Shin Yick, Fabian and Ms. Hang Qingli.*