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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 – UPDATE

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).

Reference is made to the Company’s announcement dated 30 November 2016 (“**Nov Announcement**”) concerning (among other matters) a profit warning in relation to possible impairment on the Group’s assets at the Yanjiazhuang Mine (“**YJZ Mine Assets**”). Terms defined in the Nov Announcement shall, unless the context requires otherwise, have the same meanings when used in this announcement.

As indicated in the Nov Announcement, having regard to the particular circumstances then prevailing in respect of the Yanjiazhuang Mine, and based on the management’s preliminary assessment and following preliminary discussion with external valuers, the Company intends to recognise an impairment on the YJZ Mine Assets (the “**Impairment**”) in the region of approximately RMB500 million for FY2016.

Following the publication of the Nov Announcement and in connection with the preparation of the final results of the Group for FY2016, management of the Group have been in discussion with the external valuers on the Impairment. Having taken into account the circumstances as mentioned above and also further discussions with the relevant parties, the Board wishes to inform the Shareholders and potential investors that the Impairment to be recognised in the Group’s annual results for FY2016 is likely to be in the region of approximately RMB500 million. As a result of the Impairment, it is expected that the net loss of the Group for FY2016 will increase significantly as compared to that of the prior year of approximately RMB46 million.

The abovementioned unaudited estimated amount of the Impairment is an assessment by the Board with reference to the latest information available and is not based on any financial figures or information which have been audited or reviewed by the Company’s auditors. The final amount of the Impairment and other details of the Group’s financial results and performance for FY2016 will be disclosed in the Company’s annual results announcement to be published not later than 31 March 2017.

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
Luk Yue Kan
Company Secretary

Hong Kong, 17 February 2017

As at the date of this announcement, the executive Directors are Mr. Li Changfa and Mr. Luk Yue Kan; the non-executive Directors are Dr. Cheng Kar Shun and Mr. Wu Wai Leung, Danny; and the independent non-executive Directors are Mr. Tsui King Fai, Mr. Lee Kwan Hung and Mr. Shin Yick, Fabian.