



新礦資源有限公司

NEWTON RESOURCES LTD

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1231

INTERIM  
REPORT 2024



# Contents

2	<b>Chairman's Statement</b>
3	<b>Management Discussion and Analysis</b>
10	<b>Independent Review Report</b>
	<b>Condensed Consolidated Financial Information</b>
11	Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
12	Condensed Consolidated Statement of Financial Position
13	Condensed Consolidated Statement of Changes in Equity
14	Condensed Consolidated Statement of Cash Flows
16	Notes to the Condensed Consolidated Financial Information
30	<b>Other Information</b>
33	<b>Glossary of Terms</b>
35	<b>Corporate Information</b>



# Chairman's Statement

Dear Shareholders,

On behalf of the Board, I would like to present the interim report of the Company for the Reporting Period.

For the Reporting Period, the Group achieved revenue of approximately US\$174.8 million (approximately US\$215.5 million for the Corresponding Prior Period), mainly from the distribution of Hematite Ores supplied by Koolan, our major supplier. Affected by the weak demand for high-grade iron ores by Chinese mainland steel mills, there was a period-over-period decrease in the Group's business volume for the sales of iron ores, which led to a decrease in the Group's revenue and gross profit for the Reporting Period by approximately US\$40.7 million and approximately US\$1.3 million, respectively, as compared to the Corresponding Prior Period. The Group recorded a decrease in the profit to approximately US\$1.4 million for the Reporting Period (approximately US\$2.9 million for the Corresponding Prior Period).

Looking ahead, the second half of 2024 will continue to be full of challenges for the Group. We shall continue to keep abreast of the business and market development and take necessary steps to secure the swift sales of iron ores. The Group will also cautiously explore and capture mergers and acquisitions and other collaboration or investment opportunities as appropriate.

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.

**Chong Tin Lung, Benny**

*Chairman*

Hong Kong, 22 August 2024



# Management Discussion and Analysis

## Financial Highlights

	Six-month period ended 30 June	
	2024 US\$'000	2023 US\$'000
Revenue	174,757	215,471
Gross profit	4,980	6,326
Profit for the period	1,407	2,856
Basic earnings per share ( <i>US cents</i> )	0.04	0.07

  

	30 June 2024 US\$'000	31 December 2023 US\$'000
Total assets	74,076	109,173
Total equity	31,742	30,339
Net debt <sup>1</sup>	620	2,890

  

	30 June 2024	31 December 2023
Liquidity ratio <sup>2</sup>	1.6	1.3
Net gearing ratio <sup>3</sup>	2%	10%

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

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

<sup>3</sup> Net gearing ratio is computed as the net debt divided by total equity

# Management Discussion and Analysis

## Business and Financial Review

The Group continued to employ a distributorship business model that involved the sourcing and supply of iron ores and other commodities (the “Resources Business”) during the Reporting Period. The Group’s business development team (the “Business Development Team”) liaised with suppliers and vessel owners for commodities supply and delivery, identified and secured new customers, developed the customer network, and executed the hedging strategy and hedging instruments. As a distributor, the Group continued to engage shipping service providers under chartering during the Reporting Period.

The economy in Chinese mainland continued to grow at a modest pace during the Reporting Period. Amid the macro-economic challenges and the slowing real estate development in Chinese mainland, the demand for steel and iron ores dropped. The crude steel production in Chinese mainland decreased by about 1.1% period-over-period in the first half of 2024. The weak demand for high-grade iron ores by the Group’s customers in Chinese mainland led to a period-over-period decrease in the Group’s business volume for the sales of iron ores. The Group purchased and sold about 1.5 Mt of iron ores (about 1.8 Mt for the Corresponding Prior Period), comprising about 1.2 Mt of Hematite Ores sourced from Koolan and about 0.3 Mt of iron ores sourced from other mines during the Reporting Period (about 1.4 Mt and 0.4 Mt respectively for the Corresponding Prior Period), representing a drop by about 17% period-over-period.

The Group’s revenue for the Reporting Period amounted to approximately US\$174.8 million (approximately US\$215.5 million for the Corresponding Prior Period), representing a drop of about 19% period-over-period. There was an overall decrease in the Group’s gross profit to approximately US\$5.0 million (approximately US\$6.3 million for the Corresponding Prior Period) and also a decrease in the profit to approximately US\$1.4 million for the Reporting Period (approximately US\$2.9 million for the Corresponding Prior Period).

During the Reporting Period, the iron grade of the Group’s Hematite Ores recorded an average of about 65% Fe, which remained steady as compared to that for the Corresponding Prior Period. With the supply of high-grade Hematite Ores from Koolan, the Group’s iron ores were mainly priced with reference to the Platts 65% Fe CFR North China index (the “65 IO Price”) 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 referencing the market indices under different price quotation periods.

Throughout the Reporting Period, the iron and steel markets in Chinese mainland was 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 of iron ore sales and purchases.





# Management Discussion and Analysis

## Business and Financial Review *(Continued)*

The 65 IO Price had been under pressure since the beginning of 2024, attributed to the elevated port inventories and soft recovery in the production of steel in Chinese mainland. In the first quarter of 2024, the average 65 IO Price trended downward to approximately US\$122 per tonne in March 2024 which then remained rangebound at that level in the second quarter of 2024, as compared to the average of approximately US\$147 per tonne in December 2023.

During the Reporting Period, the Group made net gains of approximately US\$6.9 million (net losses of approximately US\$4.9 million for the Corresponding Prior Period) and net losses of approximately US\$11.8 million (net gains of approximately US\$7.6 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\$18.9 million for the Reporting Period (approximately US\$16.2 million for the Corresponding Prior Period), which accounted for about 11% of the Group's revenue for the Reporting Period (about 8% for the Corresponding Prior Period). The period-over-period increase in the Group's service income by about 16% reflected the higher sea freight charges applied during the Reporting Period.

The Group had a healthy financial position as at 30 June 2024 with the Group's total assets of approximately US\$74.1 million (approximately US\$109.2 million as at 31 December 2023). Attributed to the decrease in iron ore shipments before 30 June 2024, the Group's trade and bills receivables and total assets decreased by approximately US\$30.4 million and approximately US\$35.1 million, respectively, as at 30 June 2024.

The Group had total liabilities of approximately US\$42.3 million as at 30 June 2024 (approximately US\$78.8 million as at 31 December 2023). Attributed to the decrease in iron ore shipments before 30 June 2024, the Group recognised a decrease in the trade and bills payables and total liabilities by approximately US\$40.1 million and approximately US\$36.5 million, respectively, as at 30 June 2024.

## 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 Chinese mainland 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 to the interim financial information, and the discussion of the business performance of the Resources Business is set out in the section headed "Business and Financial Review" above.

# Management Discussion and Analysis

## 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, the interest-bearing bank and other borrowings and the 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 2024, the Group's total equity amounted to approximately US\$31.7 million (approximately US\$30.3 million as at 31 December 2023). Attributed to the profit for the Reporting Period, the Group's total equity increased by approximately US\$1.4 million.

The cash and cash equivalents of the Group amounted to approximately US\$12.9 million as at 30 June 2024 (approximately US\$11.8 million as at 31 December 2023), representing about 17% (about 11% as at 31 December 2023) of the total assets of the Group. The Group's cash and cash equivalents were mainly denominated as to about 96% in USD as at 30 June 2024 (about 96% in USD as at 31 December 2023). In addition, the Group had approximately US\$10.9 million restricted bank deposits denominated in USD to secure the issuance of letters of credit by banks to the suppliers as at 30 June 2024 (approximately US\$10.7 million as at 31 December 2023).

The Group had interest-bearing bank and other borrowings of approximately US\$13.5 million as at 30 June 2024 (approximately US\$14.7 million as at 31 December 2023), all of which will mature within one year or on demand and bore fixed interest rates. As at 30 June 2024, the Group's interest-bearing bank and other borrowings were denominated as to about 80% in USD and about 20% in HKD (about 70% in USD and about 30% in HKD as at 31 December 2023). Apart from the bank borrowings of approximately US\$10.7 million secured by bills receivables as at 30 June 2024 (approximately US\$10.3 million as at 31 December 2023), the Group's interest-bearing bank and other borrowings were unsecured.

The Group's net debt position was approximately US\$0.6 million as at 30 June 2024 (approximately US\$2.9 million as at 31 December 2023). The Group's net gearing ratio (computed as the net debt divided by total equity) was about 2% as at 30 June 2024 (about 10% as at 31 December 2023). The Group's liquidity ratio was about 1.6 as at 30 June 2024 (about 1.3 as at 31 December 2023). The Group's liquidity remained stable and healthy as at 30 June 2024.

The Group had in aggregate unutilised committed borrowing facilities and trade finance banking facilities of approximately US\$330.6 million for the Resources Business as at 30 June 2024 (approximately US\$287.0 million as at 31 December 2023). The Group will continue to negotiate for new trade finance facilities with banks to support its continual development.



# Management Discussion and Analysis

## Pledge of Assets

As at 30 June 2024 and 31 December 2023, 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 2024 were secured by restricted bank deposits in an aggregate amount of approximately US\$10.9 million (approximately US\$10.7 million as at 31 December 2023).

## 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 with respect to the bank balances and interest-bearing borrowings denominated in HKD is considered to be minimal. 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 have 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 that were mostly adopted by the Group during the Reporting Period were the 65 IO Price.

As at 30 June 2024, the Group had an aggregate open position of iron ore futures or swap contracts of 646,000 tonnes expiring by the end of August 2024 with a negative contract value of approximately US\$2.0 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 interim report. 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.



# Management Discussion and Analysis

## Employees and Remuneration Policies

As at 30 June 2024, the Group had a total of 23 (23 as at 31 December 2023) employees in Hong Kong and Chinese mainland. During the Reporting Period, the Group's staff costs (inclusive of Directors' emoluments) were approximately US\$1.8 million (approximately US\$1.9 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 bonuses and share option scheme 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 2024, the Group did not have any material contingent liabilities.

## Event after the Reporting Period

From 30 June 2024 to the date of this interim report, there was no important event affecting the Group.



# Management Discussion and Analysis

## Outlook and Future Plans

The second half of 2024 will continue to be full of challenges for the Group. The steel demand in Chinese mainland will continue to remain sluggish, showing a slow recovery. Due to the relentless weak demand for iron ores by steel mills in Chinese mainland together with the expected market pressure resulting from rising supply in the iron ore markets, the seaborne iron ore market prices are expected to remain rangebound at lower price levels for the rest of 2024. Moreover, according to a major supplier of the Group, there has been a transition in its operation and mining locations subsequent to the end of the Reporting Period. The transition work occurring in the third quarter of 2024 has temporarily reduced shipment rates and cargo grades. As a result, the quality of Hematite Ore supply from the major supplier is expected to adjust to below 65% Fe and with higher degree of variance during that quarter. These factors have added difficulties and created challenges to the Resources Business, in particular, in trade negotiation, product pricing, swift sales of iron ores and execution of hedging strategy and hedging instruments.

Despite these, on the back of exports, the manufacturing sector and related steel demand in Chinese mainland have shown positive signals. This encouraging trend is expected to continue in the second half of 2024 which could support the rise in steel production and iron ore demands.

Looking forward, the Group shall continue to focus its efforts on optimising the Resources Business for swift sales of iron ores and managing the impact of seaborne iron ore price movements. The Group will also continue to identify and explore new supplies of iron ores and other commodities and evaluate and secure potential long-term business relationships with suitable suppliers to further diversify the Group's product offerings. In view of the challenges the Group is facing, the Group will continue to cautiously explore and capture mergers and acquisitions and other collaboration or investment opportunities as appropriate.

# Independent Review Report



**Ernst & Young**  
27/F, One Taikoo Place  
979 King's Road  
Quarry Bay, Hong Kong

安永會計師事務所  
香港鰂魚涌英皇道979號  
太古坊一座27樓

Tel 電話: +852 2846 9888  
Fax 傳真: +852 2868 4432  
ey.com

## To the Board of Directors of Newton Resources Ltd

(Incorporated in the Cayman Islands with limited liability)

### Introduction

We have reviewed the interim financial information set out on pages 11 to 29, which comprises the condensed consolidated statement of financial position of Newton Resources Ltd (the “Company”) and its subsidiaries (collectively, the “Group”) as at 30 June 2024 and the related condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* (“IAS 34”) issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### Scope of Review

We conducted our review 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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

*Ernst & Young*  
Certified Public Accountants  
Hong Kong

22 August 2024



# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

Six-month period ended 30 June 2024

	Notes	Six-month period ended 30 June	
		2024 US\$'000 (Unaudited)	2023 US\$'000 (Unaudited)
<b>Revenue</b>	3	<b>174,757</b>	215,471
Cost of sales		<b>(169,777)</b>	(209,145)
<b>Gross profit</b>		<b>4,980</b>	6,326
Other income and gains, net		<b>254</b>	255
Selling and distribution costs		<b>(1,632)</b>	(1,588)
Administrative expenses		<b>(1,279)</b>	(1,406)
Finance expenses, net		<b>(583)</b>	(388)
Share of loss of an associate		<b>(4)</b>	(6)
<b>Profit before tax</b>	4	<b>1,736</b>	3,193
Income tax expenses	5	<b>(329)</b>	(337)
<b>Profit for the period</b>		<b>1,407</b>	2,856
<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		<b>(4)</b>	(9)
<b>Other comprehensive income for the period, net of tax</b>		<b>(4)</b>	(9)
<b>Total comprehensive income for the period</b>		<b>1,403</b>	2,847
<b>Profit/(loss) attributable to:</b>			
Owners of the Company		<b>1,421</b>	2,844
Non-controlling interests		<b>(14)</b>	12
		<b>1,407</b>	2,856
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		<b>1,417</b>	2,835
Non-controlling interests		<b>(14)</b>	12
		<b>1,403</b>	2,847
<b>Earnings per share attributable to ordinary equity holders of the Company</b>			
Basic and diluted ( <i>US cents</i> )	7	<b>0.04</b>	0.07

# Condensed Consolidated Statement of Financial Position

30 June 2024

	Notes	30 June 2024 US\$'000 (Unaudited)	31 December 2023 US\$'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment		46	81
Right-of-use assets		64	156
Other long-term asset	8	7,954	9,457
Investment in an associate		186	192
<b>Total non-current assets</b>		<b>8,250</b>	9,886
<b>Current assets</b>			
Trade and bills receivables	9	31,249	61,611
Other current financial assets		7,494	15,089
Prepayments and other receivables		3,269	163
Restricted bank deposits		10,942	10,655
Cash and cash equivalents		12,872	11,769
<b>Total current assets</b>		<b>65,826</b>	99,287
<b>Current liabilities</b>			
Trade and bills payables	10	19,017	59,107
Other current financial liabilities		4,074	1,830
Contract liabilities		–	960
Other payables and accruals		5,170	2,056
Interest-bearing bank and other borrowings		13,492	14,659
Income tax payables		581	222
<b>Total current liabilities</b>		<b>42,334</b>	78,834
<b>Net current assets</b>		<b>23,492</b>	20,453
<b>Total assets less current liabilities</b>		<b>31,742</b>	30,339
<b>Net assets</b>		<b>31,742</b>	30,339
<b>Equity</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	11	46,890	46,890
Reserves		(16,034)	(17,451)
<b>Non-controlling interests</b>		<b>30,856</b>	29,439
		886	900
<b>Total equity</b>		<b>31,742</b>	30,339





# Condensed Consolidated Statement of Changes in Equity

Six-month period ended 30 June 2024

	Attributable to owners of the Company							Non-controlling interests US\$'000	Total equity US\$'000
	Share capital US\$'000	Share premium account US\$'000	Capital reserves US\$'000	Exchange fluctuation reserve US\$'000	Accumulated losses US\$'000	Total US\$'000			
	<b>At 1 January 2024 (audited)</b>	46,890	101,684	11,466	(140)	(130,461)	29,439		
<b>Profit/(loss) for the period</b>	-	-	-	-	1,421	1,421	(14)	1,407	
<b>Other comprehensive income for the period:</b>									
<b>Exchange differences on translation of foreign operations</b>	-	-	-	(4)	-	(4)	-	(4)	
<b>Total comprehensive income for the period</b>	-	-	-	(4)	1,421	1,417	(14)	1,403	
<b>At 30 June 2024 (unaudited)</b>	46,890	101,684*	11,466*	(144)*	(129,040)*	30,856	886	31,742	
<b>At 1 January 2023 (audited)</b>	46,890	101,684	11,466	(133)	(132,834)	27,073	905	27,978	
<b>Profit for the period</b>	-	-	-	-	2,844	2,844	12	2,856	
<b>Other comprehensive income for the period:</b>									
<b>Exchange differences on translation of foreign operations</b>	-	-	-	(9)	-	(9)	-	(9)	
<b>Total comprehensive income for the period</b>	-	-	-	(9)	2,844	2,835	12	2,847	
<b>At 30 June 2023 (unaudited)</b>	46,890	101,684	11,466	(142)	(129,990)	29,908	917	30,825	

\* These reserve accounts comprise the deficiency in reserves of United States Dollars ("US\$") 16,034,000 in the condensed consolidated statement of financial position as at 30 June 2024.

# Condensed Consolidated Statement of Cash Flows

Six-month period ended 30 June 2024

	Six-month period ended 30 June	
	2024 US\$'000 (Unaudited)	2023 US\$'000 (Unaudited)
<b>Cash flows from operating activities</b>		
Profit before tax	1,736	3,193
Adjustments for:		
Finance costs	583	388
Bank interest income	(281)	(248)
Share of loss of an associate	4	6
Depreciation of items of property, plant and equipment	36	56
Depreciation of right-of-use assets	92	92
Amortisation of other long-term asset	1,503	1,625
<b>Cash flows before working capital changes</b>	<b>3,673</b>	5,112
Decrease/(increase) in trade and bills receivables	30,362	(4,610)
Decrease/(increase) in other current financial assets	7,601	(4,693)
Increase in prepayments and other receivables	(3,106)	(4,278)
(Increase)/decrease in restricted bank deposits	(287)	1,258
(Decrease)/increase in trade and bills payables	(40,090)	806
Increase in other current financial liabilities	2,238	2,199
(Decrease)/increase in contract liabilities	(960)	428
Increase in other payables and accruals	3,114	2,492
<b>Cash flows from/(used in) operations</b>	<b>2,545</b>	(1,286)
Interest received	275	252
Hong Kong profits tax refunded/(paid)	30	(11)
<b>Net cash flows from/(used in) operating activities</b>	<b>2,850</b>	(1,045)
<b>Cash flows from investing activities</b>		
Purchase of items of property, plant and equipment	(1)	–
<b>Net cash flows used in investing activities</b>	<b>(1)</b>	–



# Condensed Consolidated Statement of Cash Flows

Six-month period ended 30 June 2024

	Six-month period ended 30 June	
	2024 US\$'000 (Unaudited)	2023 US\$'000 (Unaudited)
<b>Cash flows from financing activities</b>		
Net proceeds from bank borrowings	474	–
Repayment of other borrowing	(1,536)	–
Interest and other finance expenses paid	(577)	(335)
Principal portion of lease payments	(105)	(102)
Capital injection of a subsidiary from non-controlling interests	–	300
<b>Net cash flows used in financing activities</b>	<b>(1,744)</b>	<b>(137)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,105</b>	<b>(1,182)</b>
Cash and cash equivalents at beginning of period	11,769	11,516
Effect of foreign exchange rate changes, net	(2)	(17)
<b>Cash and cash equivalents at end of period</b>	<b>12,872</b>	<b>10,317</b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	2,668	2,523
Non-pledged time deposits with original maturity of less than three months when acquired	10,204	7,794
<b>Cash and cash equivalents at end of period</b>	<b>12,872</b>	<b>10,317</b>

# Notes to the Condensed Consolidated Financial Information

Six-month period ended 30 June 2024

## 1. Basis of Preparation

The interim condensed consolidated financial information for the six-month period ended 30 June 2024 (the “Interim Financial Information”) has been prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting* issued by the International Accounting Standards Board and the disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (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 2023.

## 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 2023, except for the adoption of the following revised International Financial Reporting Standards (“IFRSs”) for the first time for the current period’s financial information.

Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i>
Amendments to IAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

The adoption of the above revised IFRSs 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.



# Notes to the Condensed Consolidated Financial Information

Six-month period ended 30 June 2024

## 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 2024 and 2023. Revenue from contracts with customers by geographical location is categorised based on the ports of discharge of the Group’s iron ores, which were all in Chinese mainland during the six-month periods ended 30 June 2024 and 2023.

An analysis of revenue is as follows:

	Six-month period ended 30 June	
	2024	2023
	US\$'000	US\$'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	176,824	217,698
Revenue from other sources:		
Quotation period price adjustments (Note)		
– relating to prior period shipments	(3,779)	888
– relating to current period shipments	(5,225)	1,833
Net gains/(losses) on iron ore futures or swap contracts	6,937	(4,948)
Total	174,757	215,471

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 2024 and 2023, 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.



# Notes to the Condensed Consolidated Financial Information

Six-month period ended 30 June 2024

## 3. Revenue and Segment Information *(Continued)*

Disaggregated revenue information for revenue from contracts with customers

	Six-month period ended 30 June	
	2024 US\$'000 (Unaudited)	2023 US\$'000 (Unaudited)
<b>Types of goods/services</b>		
Sale of iron ores	157,966	201,457
Shipping services	18,858	16,241
Total revenue from contracts with customers	176,824	217,698
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	157,966	201,457
Services transferred over time	18,858	16,241
Total revenue from contracts with customers	176,824	217,698



## Notes to the Condensed Consolidated Financial Information

Six-month period ended 30 June 2024

### 4. Profit Before Tax

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

	Six-month period ended 30 June	
	2024 US\$'000 (Unaudited)	2023 US\$'000 (Unaudited)
Cost of inventories sold	137,895	198,925
Shipping costs	18,587	16,241
Net losses/(gains) on iron ore futures or swap contracts included in cost of sales	11,792	(7,646)
Amortisation of other long-term asset included in cost of sales	1,503	1,625
Depreciation of items of property, plant and equipment	36	56
Depreciation of right-of-use assets	92	92
Interest on bank and other borrowings	262	259

### 5. Income Tax Expenses

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 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 (2023: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2023: 8.25%) and the remaining assessable profits are taxed at 16.5% (2023: 16.5%).

	Six-month period ended 30 June	
	2024 US\$'000 (Unaudited)	2023 US\$'000 (Unaudited)
Current – Hong Kong profits tax	329	337

# Notes to the Condensed Consolidated Financial Information

Six-month period ended 30 June 2024

## 6. Dividend

The directors do not recommend the payment of an interim dividend to shareholders for the six-month period ended 30 June 2024 (six-month period ended 30 June 2023: Nil).

## 7. Earnings Per Share Attributable to Ordinary Equity Holders of the Company

The calculation of the basic earnings per share amounts is based on the 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 in issue during the six-month periods ended 30 June 2024 and 2023.

The calculation of basic earnings per share is based on:

	Six-month period ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
<b>Earnings</b>		
Profit attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation ( <i>US\$'000</i> )	1,421	2,844
<b>Shares</b>		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation ( <i>thousands of shares</i> )	4,000,000	4,000,000

Diluted earnings per share amounts were the same as the basic earnings per share amounts as the Company had no potentially dilutive ordinary shares in issue during the six-month periods ended 30 June 2024 and 2023.



# Notes to the Condensed Consolidated Financial Information

Six-month period ended 30 June 2024

## 8. Other Long-Term Asset

The Group recognised the contractual rights and obligations to purchase hematite ores from the hematite mine (the “Hematite Mine”) under a long term hematite ore supply agreement (the “Contract”) as the other long-term asset as at 30 June 2024 and 31 December 2023. The Contract entitled the Group to purchase the hematite ores from the Hematite Mine in an annual quantity that equals 80% of total available production of the Hematite Mine during each contract year to the date of permanent cessation of the mining operations at the Hematite Mine.

Based on the business circumstances, the Group has accounted for the Contract as a contract for own-use. In view of the future outputs that will be physically delivered by the supplier and purchased by the Group at discount that the obligations under the Contract will not be net settled in cash, the Contract is treated as a non-current asset which is stated at cost less accumulated amortisation and any impairment loss and is amortised to match with the physical delivery of commodities (i.e. the utilisation by the Group) under the Contract.

## 9. Trade and Bills Receivables

	<b>30 June 2024 US\$'000 (Unaudited)</b>	31 December 2023 US\$'000 (Audited)
Trade receivables	<b>11,747</b>	27,525
Bills receivables	<b>19,502</b>	34,086
Total	<b>31,249</b>	61,611

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.

# Notes to the Condensed Consolidated Financial Information

Six-month period ended 30 June 2024

## 9. Trade and Bills Receivables *(Continued)*

As at 30 June 2024, the Group has transferred certain of its bills receivables amounting to US\$10,733,000 (31 December 2023: US\$10,259,000) to a bank with recourse in exchange for cash. The Group continued to be exposed to default risk but does not retain any rights on the use of the bills receivables, including the sales, transfer or pledge of the bills receivables to any third parties. The proceeds from transferring the bills receivables were accounted for as collateralised bank advances and the full amount of US\$10,733,000 has been included in interest-bearing bank and other borrowings as at 30 June 2024 (31 December 2023: US\$10,259,000).

As at 30 June 2024 and 31 December 2023, the Group's trade and bills receivables were non-interest-bearing.

The trade and bills receivables of the Group as at 30 June 2024 and 31 December 2023 were measured at fair value through profit or loss. The Group's trade and bills receivables include provisionally priced receivables relating to sales of iron ores where the iron ore selling prices 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 were measured at the estimated forward commodity prices of the relevant QPs and were stated at the fair value.

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

	<b>30 June 2024 US\$'000 (Unaudited)</b>	31 December 2023 US\$'000 (Audited)
Within 3 months	<b>31,249</b>	61,611





## Notes to the Condensed Consolidated Financial Information

Six-month period ended 30 June 2024

### 10. 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 2024, the Group's bills payables amounted to US\$7,633,000 (31 December 2023: US\$31,558,000). An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	<b>30 June 2024 US\$'000 (Unaudited)</b>	31 December 2023 US\$'000 (Audited)
Within 3 months	<b>19,017</b>	59,107

The Group's trade and bills payables were non-interest-bearing as at 30 June 2024 and 31 December 2023.

Set out below is the measurement of trade and bills payables of the Group as at 30 June 2024 and 31 December 2023.

	<b>30 June 2024 US\$'000 (Unaudited)</b>	31 December 2023 US\$'000 (Audited)
Trade and bills payables		
– at amortised cost	<b>38</b>	660
– at fair value through profit or loss (Note)	<b>18,979</b>	58,447
Total	<b>19,017</b>	59,107

Note: The Group's trade and bills payables include provisionally priced payables relating to purchase of iron ores where the iron ore purchasing prices 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\$18,979,000, were measured at the estimated forward commodity prices of the relevant QPs at 30 June 2024 (31 December 2023: US\$58,447,000) and were stated at the fair value.

# Notes to the Condensed Consolidated Financial Information

Six-month period ended 30 June 2024

## 11. Share Capital

### Shares

	<b>30 June 2024 HK\$'000 (Unaudited)</b>	31 December 2023 HK\$'000 (Audited)
Authorised:		
10,000,000,000 ordinary shares of HK\$0.1 each	<b>1,000,000</b>	1,000,000
	<b>US\$'000 (Unaudited)</b>	US\$'000 (Audited)
Issued and fully paid:		
4,000,000,000 ordinary shares of HK\$0.1 each, totally HK\$400,000,000	<b>46,890</b>	46,890

## 12. Share Option Scheme

The Company adopted a share option scheme (the “2020 Share Option Scheme”) at the annual general meeting held on 12 June 2020 to enable it to grant share options as incentives or rewards to eligible participants for their contribution to the Group. Unless otherwise terminated or amended, the 2020 Share Option Scheme will remain in force for a period of 10 years commencing from 12 June 2020 and ending on 11 June 2030. During the six-month period ended 30 June 2024 and up to the date of approval of the Interim Financial Information, no share option has been granted, exercised, cancelled or lapsed under the 2020 Share Option Scheme. As at the beginning and the end of the reporting period and the date of approval of the Interim Financial Information, the total number of share options that were available for grant under the 2020 Share Option Scheme was 400,000,000, and no share option was outstanding under the 2020 Share Option Scheme.



# Notes to the Condensed Consolidated Financial Information

Six-month period ended 30 June 2024

## 13. Related Party Transactions

(a) The Group had the following transactions with a related party during the period:

	Six-month period ended 30 June	
	2024 US\$'000 (Unaudited)	2023 US\$'000 (Unaudited)
Guarantee fee paid to a substantial shareholder of the Company (Note)	319	124

Note: A substantial shareholder (as defined in the Listing Rules) of the Company (the “Guarantor”) has guaranteed and indemnified the obligations of Ace Profit Investment Limited, an indirect wholly-owned subsidiary of the Company, under the Contract mentioned in Note 8 to the Interim Financial Information with a maximum liability of US\$75,000,000. The Group shall pay a capped sum of HK\$5,000,000 to the Guarantor in respect of each calendar year from the date of the guarantee becoming unconditional until none of the obligations and undertakings of the Guarantor remains in full force and effect.

As a form of financial assistance (as defined in the Listing Rules) received by the Group from a connected person of the Company, the provision of the above guarantee and indemnity (together with the above maximum annual fee) by the Guarantor was conducted on normal commercial terms and not secured by the assets of the Group. Accordingly, such financial assistance is fully exempt from the announcement, reporting, annual review and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

(b) **Compensation of key management personnel of the Group**

	Six-month period ended 30 June	
	2024 US\$'000 (Unaudited)	2023 US\$'000 (Unaudited)
Directors’ fees	58	54
Salaries, allowances and benefits in kind	254	253
Pension scheme contributions	2	2
Total compensation paid to key management personnel	314	309

Other than the emoluments paid to the directors and the chief executive of the Company (being the key management personnel of the Company) as disclosed above, there was no significant compensation arrangement to the Group’s key management personnel during the six-month periods ended 30 June 2024 and 2023.

# Notes to the Condensed Consolidated Financial Information

Six-month period ended 30 June 2024

## 14. Fair Value and Fair Value Hierarchy of Financial Instruments

### Fair value

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	30 June 2024 US\$'000 (Unaudited)	31 December 2023 US\$'000 (Audited)	30 June 2024 US\$'000 (Unaudited)	31 December 2023 US\$'000 (Audited)
<b>Financial assets</b>				
Trade and bills receivables at fair value through profit or loss	31,249	61,611	31,249	61,611
Other current financial assets at fair value through profit or loss (Note)	–	7,709	–	7,709
Other receivables at fair value through profit or loss	3,148	–	3,148	–
<b>Total</b>	<b>34,397</b>	69,320	<b>34,397</b>	69,320
<b>Financial liabilities</b>				
Trade and bills payables at fair value through profit or loss	18,979	58,447	18,979	58,447
Other current financial liabilities at fair value through profit or loss (Note)	1,962	–	1,962	–
Other payables at fair value through profit or loss	4,322	–	4,322	–
<b>Total</b>	<b>25,263</b>	58,447	<b>25,263</b>	58,447

Note: As at 30 June 2024, the Group had an aggregate open position of iron ore futures or swap contracts of 646,000 tonnes expiring by the end of August 2024 with a negative contract value of US\$1,962,000 which has been recognised as financial liabilities at fair value through profit or loss (31 December 2023: positive contract value of US\$7,709,000 recognised as financial assets at fair value through profit or loss).



# Notes to the Condensed Consolidated Financial Information

Six-month period ended 30 June 2024

## 14. Fair Value and Fair Value Hierarchy of Financial Instruments *(Continued)*

### **Fair value** *(Continued)*

Management has assessed that the fair values of other current financial assets at amortised cost, restricted bank deposits, cash and cash equivalents, trade and bills payables at amortised cost, other current financial liabilities at amortised cost and the current portion of interest-bearing bank and other borrowings (other than lease liabilities) approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The fair values of trade and bills receivables, trade and bills payables, other receivables from the suppliers and other payables to the customers classified as financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss are determined by incorporating market observable inputs sourced from applicable iron ore indices, which are a source of benchmark assessment of the spot price of the physical iron ores, published daily or regularly and quoted on a US\$ per dry metric tonne basis.
- The Group enters into iron ore futures or swap contracts with various counterparties which are measured with reference to the commodity's quoted market prices.

# Notes to the Condensed Consolidated Financial Information

Six-month period ended 30 June 2024

## 14. Fair Value and Fair Value Hierarchy of Financial Instruments *(Continued)*

### Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

### Assets and liabilities measured at fair value

As at 30 June 2024

	Fair value measurement using			Total US\$'000 (Unaudited)
	Quoted prices in active markets (Level 1) US\$'000 (Unaudited)	Significant observable inputs (Level 2) US\$'000 (Unaudited)	Significant unobservable inputs (Level 3) US\$'000 (Unaudited)	
<b>Financial assets:</b>				
Trade and bills receivables	–	31,249	–	31,249
Other receivables	–	3,148	–	3,148
Total	–	34,397	–	34,397
<b>Financial liabilities:</b>				
Trade and bills payables	–	18,979	–	18,979
Other current financial liabilities at fair value through profit or loss	1,962	–	–	1,962
Other payables	–	4,322	–	4,322
Total	1,962	23,301	–	25,263



# Notes to the Condensed Consolidated Financial Information

Six-month period ended 30 June 2024

## 14. Fair Value and Fair Value Hierarchy of Financial Instruments *(Continued)*

### Fair value hierarchy *(Continued)*

#### Assets and liabilities measured at fair value *(Continued)*

As at 31 December 2023

	Fair value measurement using			Total US\$'000 (Audited)
	Quoted prices in active markets (Level 1) US\$'000 (Audited)	Significant observable inputs (Level 2) US\$'000 (Audited)	Significant unobservable inputs (Level 3) US\$'000 (Audited)	
<b>Financial assets:</b>				
Trade and bills receivables	–	61,611	–	61,611
Other current financial assets at fair value through profit or loss	7,709	–	–	7,709
<b>Total</b>	<b>7,709</b>	<b>61,611</b>	<b>–</b>	<b>69,320</b>
<b>Financial liabilities:</b>				
Trade and bills payables	–	58,447	–	58,447

## 15. Approval of the Interim Financial Information

The Interim Financial Information was approved and authorised for issue by the board of directors of the Company on 22 August 2024.

# Other Information

## 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.

## Directors' and Chief Executive's Interests in Shares, Underlying Shares and Debentures

As at 30 June 2024, none of the Directors and chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## Share Option Scheme

The Company adopted a share option scheme (the "2020 Share Option Scheme") on 12 June 2020. No share option had been granted under the 2020 Share Option Scheme during the Reporting Period. Details of the 2020 Share Option Scheme are set out in Note 12 to the interim financial information.





## Other Information

### Substantial Shareholders' and Other Parties' Interests in Shares and Underlying Shares

#### Long Position in Shares

As at 30 June 2024, so far as known to any Director, the following parties (other than Directors or chief executive of the Company) had interests in the Shares or underlying Shares as recorded in the register required to be kept under Section 336 of the SFO:

Name of Shareholder	Nature of interest	Total number of Shares held	Approximate percentage of total issued Shares
Mak Siu Hang, Viola <sup>(1)</sup>	Interest of controlled corporation	1,149,744,000	28.74%
VMS Investment Group Limited ("VMSIG") <sup>(1)</sup>	Beneficial interest, interest of controlled corporation	1,149,744,000	28.74%
Fast Fortune Holdings Limited ("Fast Fortune") <sup>(1)</sup>	Beneficial interest	360,000,000	9.00%
Shougang Group Co., Ltd. <sup>(2)</sup>	Interest of controlled corporation	1,098,570,000	27.46%
Shougang Holding (Hong Kong) Limited ("Shougang Hong Kong") <sup>(2)</sup>	Interest of controlled corporation	1,098,570,000	27.46%
Lord Fortune Enterprises Limited ("Lord Fortune") <sup>(2)</sup>	Beneficial interest	370,000,000	9.25%
Plus All Holdings Limited ("Plus All") <sup>(2)</sup>	Beneficial interest	728,570,000	18.21%
Cheng Yu Tung Family (Holdings) Limited <sup>(3)</sup>	Interest of controlled corporation	620,000,000	15.50%
Cheng Yu Tung Family (Holdings II) Limited <sup>(4)</sup>	Interest of controlled corporation	620,000,000	15.50%
Chow Tai Fook Capital Limited ("CTF Capital") <sup>(5)</sup>	Interest of controlled corporation	620,000,000	15.50%
Chow Tai Fook (Holding) Limited ("CTF Holding") <sup>(6)</sup>	Interest of controlled corporation	620,000,000	15.50%
Chow Tai Fook Enterprises Limited ("CTF Enterprises") <sup>(6)</sup>	Interest of controlled corporation	620,000,000	15.50%
Century Acquisition Limited ("Century Acquisition") <sup>(7)</sup>	Interest of controlled corporation	620,000,000	15.50%
NWS Holdings Limited ("NWS") <sup>(8)</sup>	Interest of controlled corporation	620,000,000	15.50%
NWS Resources Limited ("NWS Resources") <sup>(8)</sup>	Interest of controlled corporation	620,000,000	15.50%
NWS Mining Limited ("NWS Mining") <sup>(8)</sup>	Interest of controlled corporation	620,000,000	15.50%
Modern Global Holdings Limited ("Modern Global") <sup>(8)</sup>	Interest of controlled corporation	620,000,000	15.50%
Perfect Move Limited ("Perfect Move") <sup>(8)</sup>	Interest of controlled corporation	620,000,000	15.50%
Faithful Boom Investments Limited ("Faithful Boom") <sup>(8)</sup>	Beneficial interest	620,000,000	15.50%

## Other Information

### Substantial Shareholders' and Other Parties' Interests in Shares and Underlying Shares *(Continued)*

#### Long Position in Shares *(Continued)*

Notes:

- (1) Fast Fortune and VMSIG held 360,000,000 Shares and 789,744,000 Shares as beneficial owners, respectively. Ms. Mak Siu Hang, Viola held a 100% direct interest in VMSIG. Fast Fortune was a wholly-owned subsidiary of VMSIG. Therefore, Ms. Mak Siu Hang, Viola was deemed to be interested in all the Shares held by each of VMSIG and Fast Fortune, and VMSIG was deemed to be interested in all the Shares held by Fast Fortune.
- (2) Shougang Group Co., Ltd. held a 100% direct interest in Shougang Hong Kong. Lord Fortune and Plus All were wholly-owned subsidiaries of Shougang Hong Kong. Therefore, Shougang Group Co., Ltd. and Shougang Hong Kong were both deemed to be interested in all the Shares held by Lord Fortune and Plus All.
- (3) Cheng Yu Tung Family (Holdings) Limited held approximately 48.98% direct interest in CTF Capital and was accordingly deemed to have an interest in the Shares deemed to be interested by CTF Capital.
- (4) Cheng Yu Tung Family (Holdings II) Limited held approximately 46.65% direct interest in CTF Capital and was accordingly deemed to have an interest in the Shares deemed to be interested by CTF Capital.
- (5) CTF Capital held approximately 81.03% direct interest in CTF Holding and was accordingly deemed to have an interest in the Shares deemed to be interested by CTF Holding.
- (6) CTF Holding held a 100% direct interest in CTF Enterprises, which held a 100% direct interest in Century Acquisition. Therefore, CTF Holding and CTF Enterprises were accordingly deemed to have an interest in the Shares deemed to be interested by Century Acquisition.
- (7) Century Acquisition held more than 70% direct interest in NWS and was accordingly deemed to have an interest in the Shares deemed to be interested by NWS.
- (8) NWS held a 100% direct interest in NWS Resources, which held a 100% direct interest in NWS Mining. NWS Mining held a 100% interest in Modern Global, which held a 100% direct interest in Perfect Move. Faithful Boom was a wholly-owned subsidiary of Perfect Move. Therefore, NWS, NWS Resources, NWS Mining, Modern Global and Perfect Move were all deemed to be interested in all the Shares held by Faithful Boom.

Save as disclosed above, the Directors are not aware of any persons who, as at 30 June 2024, had any interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept under Section 336 of the SFO.

### 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.



# Glossary of Terms

In this interim report, 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
“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 2023
“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, the lawful currency of Hong Kong
“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

## Glossary of Terms

“Remuneration Committee”	the remuneration committee of the Company
“Reporting Period”	the six-month period ended 30 June 2024
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“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
“Substantial Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“tonne(s)”	equal to 1,000 kilograms
“US\$” or “USD”	the United States dollar, the lawful currency of the United States of America



# Corporate Information

## Board of Directors

### Executive Directors

Mr. Chong Tin Lung, Benny (*Chairman*)  
Mr. Luk Yue Kan

### Non-executive Director

Mr. Chen Hongyuan

### Independent Non-executive Directors

Mr. Tsui King Fai  
Mr. Lee Kwan Hung, Eddie  
Mr. Shin Yick, Fabian  
Ms. Hang Qingli\*

## Board Committees

### Audit Committee

Mr. Tsui King Fai (*Chairman*)  
Mr. Lee Kwan Hung, Eddie  
Mr. Shin Yick, Fabian  
Ms. Hang Qingli\*

### Remuneration Committee

Mr. Lee Kwan Hung, Eddie (*Chairman*)  
Mr. Chong Tin Lung, Benny  
Mr. Tsui King Fai  
Mr. Shin Yick, Fabian  
Ms. Hang Qingli\*

### Nomination Committee

Mr. Lee Kwan Hung, Eddie (*Chairman*)  
Mr. Chong Tin Lung, Benny  
Mr. Tsui King Fai  
Mr. Shin Yick, Fabian  
Ms. Hang Qingli\*

## Investment Committee

Mr. Chong Tin Lung, Benny (*Chairman*)  
Mr. Luk Yue Kan  
Mr. Chen Hongyuan

## Company Secretary

Mr. Luk Yue Kan

## Auditor

Ernst & Young  
Certified Public Accountants  
Registered Public Interest Entity Auditor

## Solicitors

Chiu & Partners, Solicitors

## Principal Bankers

Agricultural Bank of China Limited, Hong Kong Branch  
Bank of China (Hong Kong) Limited

\* Appointed on 1 July 2024

## Corporate Information

### Registered Office

P.O. Box 309  
Ugland House  
Grand Cayman, KY1-1104  
Cayman Islands

### Principal Place of Business in Hong Kong

Units 4204-05, 42/F  
Dah Sing Financial Centre  
248 Queen's Road East  
Wan Chai, Hong Kong

### Principal Share Registrar and Transfer Office

Suntera (Cayman) Limited  
Suite 3204, Unit 2A, Block 3, Building D  
P.O. Box 1586, Gardenia Court, Camana Bay  
Grand Cayman, KY1-1100  
Cayman Islands

### Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

### Investor Information

For more information about the Group, please contact the Investor Relations Department at:

Newton Resources Ltd  
Units 4204-05, 42/F  
Dah Sing Financial Centre  
248 Queen's Road East  
Wan Chai, Hong Kong  
Tel : (852) 2521 8168  
Fax : (852) 2521 8117  
Email : [ir@newton-resources.com](mailto:ir@newton-resources.com)

### Website

[www.newton-resources.com](http://www.newton-resources.com)



**新礦資源有限公司**  
NEWTON RESOURCES LTD

Units 4204-05, 42/F, Dah Sing Financial Centre,  
248 Queen's Road East, Wan Chai, Hong Kong  
Tel: (852) 2521 8168  
Fax: (852) 2521 8117

[www.newton-resources.com](http://www.newton-resources.com)

