

**NEWTON RESOURCES LTD:
IT WILL BE A VERY, LONG TIME BEFORE
A DECENT RETURN WILL BE FORTHCOMING**

Whether or not Newton Resources Ltd () (Code 1231, Main Board, The Stock Exchange of Hongkong Ltd) will ever be a financial success is questionable, but, with the financial backing of one of the largest conglomerates of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), circumstantially, the odds are, definitely, in the Company's favour.

However, only time will tell, of course.

In **TARGET's** opinion, however, Newton Resources Ltd is a very risky proposition for prospective investors; there are far better and less-risky publicly listed companies from which to choose.

This Company, also, has a great deal of competition, right in its own back door in the PRC.

However, with the 64, year-old brother of Mr Donald Tsang Yam Kuen (), the Chief Executive of HKSAR, being the Non-Executive Chairman of Newton Resources Ltd, this Company has hooked a very big fish to dress up the Board of Directors by enlisting the services of Mr Tsang Yam Piu () in order to complement the Company's unenticing pedigree of senior management.

Page 151 of the Global Offering Prospectus, dated June 21, 2011, gives an '**OVERVIEW**' of the Company in these terms:

'We own and operate the Yanjiazhuang Mine which is the largest privately-owned iron ore mine and the sixth largest iron ore mine in Hebei Province in terms of iron ore reserves, according to Hatch [Hatch Project Consulting (Shanghai) Company Ltd]. With our significant JORC (Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy) reserves and resources, estimated low production cost structure, strong growth potential through our rapid production capacity ramp-up, significant exploration opportunities and strategic location, we believe we are well-positioned to capture increasing market opportunities arising from the strong growth in Chinese steel production and significant shortfall in domestically-produced iron ore historically experienced in China, especially in Hebei Province. Our overall objective is to attain iron ore mining and processing capacities of 10,500 ktpa (thousand tonnes per annum) by the second quarter of 2012. Our vision is to become a leading iron ore operator in China and to implement NWS's [NWS Holdings Ltd () (Code: 659, Main Board, The Stock Exchange of Hongkong Ltd)] strategic initiative of using the Company as a platform to acquire and operate mining assets within the steel supply chain.'

The mention of NWS Holdings Ltd is important because this company, which is a part of the '*empire*' of New World Development Company Ltd () (Code: 17, Main Board, The Stock Exchange of Hongkong Ltd), which owns 59.79 percent of the Issued and Fully Paid-Up Share Capital of NWS Holdings Ltd, is known to have buckets of cash when called upon to finance a pet project.

NWS Holdings Ltd is deemed to hold, beneficially, 48 percent of the Issued and Fully Paid-Up Share Capital of Newton Resources Ltd.

The Flotation

Newton Resources Ltd pitched its story on the Main Board of The Stock Exchange of Hongkong Ltd on June 21, 2011, when it Offered one billion, 10-cent Shares at an Offer Price Per Share, ranging from \$HK1.25 to \$HK2.35.

When ... [CLICK TO ORDER FULL ARTICLE](#)

***While TARGET makes every attempt to ensure accuracy of all data published,
TARGET cannot be held responsible for any errors and/or omissions.***

*If readers feel that they would like to voice their opinions about that which they have read in **TARGET**, please feel free to e-mail your views to editor@targetnewspapers.com. **TARGET** does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.*