NEW TIMES ENERGY CORPORATION LIMITED
新時代能源有限公司*

(incorporated in Bermuda with limited liability)

(Stock code: 00166)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

Financial highlights for the six months ended 30 June

	2014	2013	Change
	HK$'000	*HK$'000*	*%*
Turnover	**32,782**	177,663	-81.5
Gross profit	**5,696**	1,916	197.3
(Loss)/profit attributable to owners of the Company	**(46,140)**	39,072	N/A
(Loss)/earnings per share	**HK$(3.93) cents**	HK4.96 cents	N/A

The board of directors (the "**Board**") of New Times Energy Corporation Limited (the "**Company**") announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 June 2014, together with the comparative figures for the corresponding period in 2013. These condensed consolidated financial statements for the six months ended 30 June 2014 have not been audited, but have been reviewed by the Audit Committee of the Company.

* *For identification purposes only*

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2014

	Note	Unaudited Six months ended 30 June **2014** ***HK$'000***	 2013 *HK$'000*
Turnover	*3*	**32,782**	177,663
Cost of sales		**(27,086)**	(175,747)
Gross profit		**5,696**	1,916
Other revenue and other net income		**37,831**	7,832
Gain on bargain purchase		**–**	40,121
Net gain on disposal of oil properties		**–**	29,287
Reversal of impairment loss on convertible notes receivables		**–**	5,243
Selling expenses		**(1,250)**	–
Administrative expenses		**(66,279)**	(47,585)
Other operating expenses		**(49)**	(496)
(Loss)/profit from operations		**(24,051)**	36,318
Finance costs	*4*	**(14,177)**	(4,887)
Share of losses of joint ventures		**(262)**	(9)
Share of post-acquisition losses of associates		**(391)**	–
(Loss)/profit before taxation	*5*	**(38,881)**	31,422
Income tax	*6*	**(8,777)**	(222)
(Loss)/profit for the period		**(47,658)**	31,200
(Loss)/profit for the period attributable to:			
Owners of the Company		**(46,140)**	39,072
Non-controlling interests		**(1,518)**	(7,872)
		(47,658)	31,200
(Loss)/Earnings per share	*8*		
Basic and diluted		**HK(3.93) cents**	HK4.96 cents

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2014

		Unaudited	
		Six months ended 30 June	
		2014	2013
	Note	***HK$'000***	*HK$'000*
(Loss)/profit for the period		**(47,658)**	31,200
Other comprehensive loss for the period			
Items that may be classified subsequently to profit or loss:			
Exchange difference on translation of financial statements of overseas and PRC subsidiaries:			
Exchange differences arising during the period		**(73,205)**	(31,733)
Other comprehensive loss for the period, net of tax		**(73,205)**	(31,733)
Total comprehensive loss for the period, net of tax		**(120,863)**	(533)
Attributable to:			
Owners of the Company		**(130,095)**	2,976
Non-controlling interests		**9,232**	(3,509)
Total comprehensive loss for the period		**(120,863)**	(533)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

	Note	As at 30 June 2014 (Unaudited) HK$'000	As at 31 December 2013 (Audited) HK$'000
NON-CURRENT ASSETS			
Exploration and evaluation assets	9	**3,481,500**	3,523,992
Property, plant and equipment	10	**97,682**	44,246
Lease prepayments		**5,514**	3,384
Intangible assets	11	**303,980**	222,692
Goodwill	12	**36,777**	33,620
Interest in associates		**14,720**	15,225
Interest in joint ventures		**2,341**	2,681
Deposits paid for potential investments		**42,324**	89,652
Convertible notes receivables		**16,240**	53,922
Available-for-sale investments		**105,988**	105,988
Prepayment, deposits and other receivables	13	**114,679**	114,597
		4,221,745	4,209,999
CURRENT ASSETS			
Inventories		**8,480**	2,517
Lease Prepayments		**233**	146
Trade and other receivables	13	**128,949**	92,678
Convertible notes receivables		**43,555**	–
Pledged bank deposits		**18,888**	19,031
Cash and cash equivalents	14	**46,580**	87,104
Tax recoverable		**3,929**	483
		250,614	201,959
CURRENT LIABILITIES			
Trade and other payables	15	**92,775**	57,441
Bank and other borrowings	16	**81,417**	175,731
Promissory notes payables		**37,052**	47,697
Convertible notes payables		**44,413**	16,718
Obligations under finance leases		**81**	79
Current taxation		**4,287**	358
		(260,025)	(298,024)
NET CURRENT LIABILITIES		**(9,411)**	(96,065)
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,212,334**	4,113,934

	Note	As at 30 June 2014 (Unaudited) HK$'000	As at 31 December 2013 (Audited) HK$'000
NON-CURRENT LIABILITIES			
Provisions		**10,860**	3,373
Bank and other borrowings	*16*	**220,766**	15,286
Convertible notes payables		**51,986**	79,767
Obligations under finance leases		**220**	261
Deferred tax liabilities		**94,137**	64,348
		(377,969)	(163,035)
NET ASSETS		**3,834,365**	3,950,899
EQUITY			
Equity attributable to owners of the Company			
Share capital	*17*	**588,937**	584,999
Share premium and reserves		**3,271,043**	3,400,747
		3,859,980	3,985,746
NON-CONTROLLING INTERESTS		**(25,615)**	(34,847)
TOTAL EQUITY		**3,834,365**	3,950,899

NOTES TO THE CONDENSED CONSOLIDATION FINANCIAL STATEMENTS

For the six months ended 30 June 2014

1. GENERAL INFORMATION AND BASIS OF PREPARATION

New Times Energy Corporation Limited ("the Company") is a limited liability company incorporated in Bermuda and its registered office and principal place of business are Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and Room 1402,14/F., New World Tower 1, 16–18 Queen's Road Central, Hong Kong. The Company is listed on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The interim financial report has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange. It was authorised for issue in accordance with a resolution of the directors on 28 August 2014.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2013 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2014 annual financial statements. Details of these changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates. This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of the events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the annual financial statements for the year ended 31 December 2013. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The financial information relating to the financial year ended 31 December 2013 that is included in the interim financial report as being previously reported information does not constitute the Company's statutory financial statements for the financial year but is derived from those financial statements. The statutory financial statements for the year ended 31 December 2013 are available from the Company's registered office. The auditor has expressed an unqualified opinion on those financial statements in their report dated 31 March 2014.

Changes in presentation

Effective 1 March 2014, the Group has re-aligned its presentation on reportable segments by combined the "Exploration of natural resources" segment and "Oil exploration and production" segment into a new "Upstream" segment, which is further evaluated on a geographical basis at its activities carried in. The management considers the current presentation is more appropriate and consistent with the internal reporting provided to the chief operating decision maker after the completion of the acquisition of 38.15% participating interest in Palmar Largo block. The comparative information has been reclassified to conform the changes.

2. CHANGES ON ACCOUNTING POLICIES

The HKICPA has issued a number of new standards and amendments that are first effective for the current accounting period of the Group. As required by HKAS 34, the nature and the effect of these changes are disclosed below. Save for the amendments to HKAS 36 that requires recoverable amount disclosures for non-financial assets, other new standards and amendments do not impact the annual consolidated financial statements of the Group or the interim condensed consolidated financial statements of the Group.

The nature and the impact of each new standards or amendment are described below:

Investment Entities — Amendments to HKFRS 10, HKFRS 12 and HKAS 27

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under HKFRS 10 *Consolidated Financial Statements*. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments have no impact to the Group, since none of the entities in the Group qualifies to be an investment entity under HKFRS 10.

Offsetting Financial Assets and Financial Liabilities — Amendments to HKAS 32

These amendments clarify the meaning of 'currently has a legally enforceable right to set-off' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These amendments have no impact on the Group.

Novation of Derivatives and Continuation of Hedge Accounting — Amendment to HKAS 39

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments have no impact to the Group as the Group has not novated its derivatives during the current or prior periods.

Recoverable Amount Disclosures for Non-Financial Assets — Amendments to HKAS 36

These amendments remove the unintended consequences of HKFRS 13 *Fair Value Measurement* on the disclosure required under HKAS 36 *Impairment of Assets*. In addition, these amendments require disclosure of the recoverable amounts for the assets or cash-generating units (CGUs) for which an impairment loss has been recognized or reversed during the period. These amendments have no impact to the Group as the Group has not recognized or reversed any impairment loss for non-financial assets during the period.

HK(IFRIC)-Int 21 Levies

HK(IFRIC)-Int 21 is effective for annual periods beginning on or after 1 January 2014 and is applied retrospectively. It is applicable to all levies imposed by governments under legislation, other than outflows that are within the scope of other standards (e.g., HKAS 12 *Income Taxes*) and fines or other penalties for breaches of legislation.

The interpretation clarifies that an entity recognizes a liability for levy no earlier than when the activities that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggered upon reaching a minimum threshold, no liability is recognised before the specified minimum threshold is reached. The interpretation requires these same principles to be applied in interim financial statements.

The adoption of HK(IFRIC)-Int21 does not have any material impact on the financial position and the financial results of the Group as the Group has no obligating event that gives rise to a liability to pay a levy.

In addition, the Group has early adopted the following amended standards and new interpretation where early adoption is permitted.

Accounting for Acquisitions of Interests in Joint Operations — Amendments to HKFRS 11

These amendments provide guidance on the accounting for acquisitions of interest in joint operations in which the activity constitutes a business, which are effective for annual periods beginning on or after 1 January 2016. These amendments requires the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in HKFRS 3 "*Business Combination*", to apply all of the principles on business combinations accounting and disclose all information required in HKFRS 3. To the extent of the early adoption of these amendments, the Group has accounting for the acquisition of interests in joint operation as a business combination and has provided those disclosures in note 19 to the condensed consolidated financial statements.

Save for as mentioned above, the Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3. SEGMENT INFORMATION

The Group manages its businesses by divisions which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Group's chief operating decision maker, i.e. board of directors of the Company, for the purposes of resource allocation and performance assessment, the Group has identified the following reportable segments.

General trading	This segment includes trading of oil products and non-ferrous metal. Currently the Group's activities in this regard are carried out in Hong Kong and the People's Republic of China ("PRC").
Upstream	This segment is engaged in the exploration, development, production and sale of crude oil. It is further evaluated on a geographic basis. Currently the Group's activities in this regard are carried out in Argentina and the United States ("US").
Distribution of natural gas	This segment is engaged in the sales and the transmission of natural gas in PRC.

(a) Segment results, assets and liabilities

In accordance with HKFRS 8, segment information disclosed in the interim financial report has been prepared in a manner consistent with the information used by the Group's board of directors for the purposes of assessing segment performance and allocating resources between segments. In this regard, the Group's board of directors monitors the results, assets and liabilities attributable to each reportable segment on the following basis:

Segment assets include all tangible, intangible assets and current assets with the exception of interest in joint ventures, interest in associates, unallocated convertible note receivables, deposits paid for potential investments, available-for-sale investments and other corporate assets. Segment liabilities include provisions, trade and other payables, current taxation and deferred tax liabilities attributable to the activities of the individual segments and bank and other borrowings managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortization of assets attributable to those segments.

Segment profit/loss represents the profit earned/loss resulted by each segment without allocation of central administration costs including directors' emoluments, share of losses of joint ventures, share of losses of associates, unallocated interest income, unallocated interest expenses, impairment loss on available-for-sale investment, fair value gain/loss on derivative financial instruments, unallocated operating income and income tax expenses. This is the measure reported to the board of directors for the purpose of resource allocation and assessment of segment performance.

Information regarding the Group's reportable segments as provided to the Group's board of directors for the purposes of resource allocation and assessment of segment performance for the period is set out below:

			Upstream									
	General trading		Argentina		United States		Sub-total		Distribution of natural gas		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
For the six months ended 30 June												
Reportable segment revenue *(note)*	–	175,785	**29,551**	–	**647**	1,878	**30,198**	1,878	**2,584**	–	**32,782**	177,663
Reportable segment profit/(loss)	**–**	1,048	**18,012**	(5,370)	**(4,462)**	70,569	**13,550**	65,199	**(18,353)**	–	**(4,803)**	66,247
Depreciation and amortisation	**–**	–	**7,677**	103	**143**	1,834	**7,820**	1,937	**4,900**	–	**12,720**	1,937
Interest income	**–**	4	**–**	–	**2,408**	756	**2,408**	756	**4**	–	**2,412**	760
Interest expenses	**–**	161	**56**	–	**–**	58	**56**	58	**5,002**	–	**5,058**	219
As at 30 June 2014 and 31 December 2013												
Reportable segment assets	**1,625**	6,096	**3,640,958**	3,582,000	**244,075**	221,527	**3,885,033**	3,803,527	**294,803**	265,181	**4,181,461**	4,074,804
Additions to non-current segment assets during the period/year	**–**	–	**124,976**	2,808	**271**	157,602	**125,247**	160,410	**32,827**	105,523	**158,074**	265,933
Reportable segment liabilities	**(359)**	(358)	**(56,545)**	(7,208)	**(57,926)**	(58,049)	**(114,471)**	(65,257)	**(116,649)**	(96,317)	**(231,479)**	(161,932)

Note: Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current period (for the six months ended 30 June 2013: HK$Nil).

(b) Reconciliation of reportable segment revenues and profit or loss

	Unaudited Six months ended 30 June	
	2014	2013
	HK$'000	*HK$'000*
Revenue		
Reportable segment revenue	**32,782**	177,663
Consolidated turnover	**32,782**	177,663
Profit/(Loss)		
Reportable segment (loss)/profit	**(4,803)**	66,247
Depreciation and amortisation	**(50)**	(487)
Unallocated operating income and expenses	**(30,138)**	(36,121)
Interest income	**631**	702
Finance costs	**(9,119)**	(4,668)
Impairment loss on available-for-sale investments	**–**	(385)
Net fair value gain on derivative financial instruments	**5,251**	6,143
Share of post-tax losses of joint ventures	**(262)**	(9)
Share of post-tax losses of associates	**(391)**	–
Consolidated (loss)/profit before taxation	**(38,881)**	31,422

4. FINANCE COSTS

	Unaudited Six months ended 30 June	
	2014	2013
	HK$'000	*HK$'000*
Interest on bank and other borrowings	**7,626**	1,253
Finance charge on obligations under finance lease	**11**	13
Effective interest expenses on convertible notes payables	**5,185**	1,996
Effective interest expenses on promissory notes payables	**1,355**	1,362
Total interest expenses on financial liabilities not at fair value through profit or loss	**14,177**	4,624
Other finance costs	**–**	263
Total finance costs	**14,177**	4,887

5. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived at after charging/(crediting):

	Unaudited Six months ended 30 June	
	2014	2013
	HK$'000	*HK$'000*
Cost of inventories *(Note)*	**27,086**	175,747
Depreciation and amortisation	**12,770**	2,424
Staff costs (including directors' emoluments)		
— Salaries, wages and benefits in kind	**15,658**	10,457
— Contributions to defined contribution retirement plans	**1,089**	848
— Equity-settled share-based payment expenses	**–**	1,123
Minimum lease payments under operating leases on leasehold land and buildings	**2,140**	1,392
Interest income	**(3,043)**	(1,462)
Net foreign exchange (gain)/loss	**(22,132)**	1,286
Net gain on disposal of property, plant and equipment	**(228)**	(22)
Impairment loss on available-for-sale investments	**–**	385
Inventories written off	**–**	280

Note:

Cost of inventories includes HK$7,517,000 (for the six months ended 30 June 2013: HK$Nil) relating to depreciation and amortisation expenses, which amount is also included in the respective total amounts disclosed separately above.

6. INCOME TAX

	Unaudited Six months ended 30 June	
	2014	2013
	HK$'000	*HK$'000*
Current tax		
— Hong Kong Profits Tax	**–**	222
	–	222
Under-provision in respect of prior year		
— United States Income Tax	**315**	–
— Argentina Corporate Income tax	**11,242**	–
— PRC Enterprise Income Tax	**1**	–
	11,558	–
Deferred income tax	**(2,781)**	–
Total	**8,777**	222

Pursuant to the rules and regulations of the Bermuda and the British Virgin Islands (the "BVI"), the Company and its subsidiaries incorporated in Bermuda and the BVI are not subject to any income tax in the Bermuda and the BVI for the six months ended 30 June 2014 (for the six months ended 30 June 2013: HK$Nil).

No Hong Kong Profits Tax has been provided for in the condensed consolidated financial statements as the Company and its subsidiaries incorporated or operated in Hong Kong did not generate any assessable profits arising in Hong Kong during the period (for the six months ended 30 June 2013: Provision for Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the period).

Subsidiaries of the Group in PRC are subject to PRC Enterprise Income tax at 25%. Provision for Foreign Enterprise Income Tax in the PRC has been calculated based on total operating expenses of the PRC representative office of the Company in accordance with the provisions of the Circular Guo Shui Fa [2010] No. 18 "Provisional Regulations on Tax Administration for Representative Office of Foreign Enterprises" issued on 20 February 2010.

Subsidiaries of the Group in Argentina are subject to Argentina Corporate Income Tax ("CIT") at 35% and minimum presumed income tax ("MPIT"). MPIT is supplementary to CIT and is chargeable at the applicable tax rate of 1% on the tax basis of certain assets. The tax liabilities of subsidiaries of the Group in Argentina are the higher of CIT and MPIT.

Subsidiaries of the Group in Texas and Louisianan, United States ("US") are subject to Texas franchise tax equal to 1% of the taxable margin (which approximates gross profits), subject to a threshold of gross receipts of US$1,080,000. The subsidiaries are not subject to federal or Louisiana income taxes and no provision is required to be made in the condensed consolidated financial statements.

Subsidiaries of the Group in Utah, US are not subject to federal tax. As the subsidiaries have no taxable income during the period, the income taxes paid will be limited to US$100 which is the minimum fee to be charged regardless of income.

7. DIVIDENDS

The directors do not recommend any payment of an interim dividend for the six months ended 30 June 2014 (for the six months ended 30 June 2013: Nil).

8. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the (loss)/profit attributable to owners of the Company of HK$46,140,000 (for the six months ended 30 June 2013: profit of HK$39,072,000) and the weighted average number of 1,173,251,000 ordinary shares (for the six months ended 30 June 2013: 787,756,000 ordinary shares) in issue during the period.

(b) Diluted (loss)/earnings per share

Diluted (loss)/earnings per share for the six months ended 30 June 2014 and 2013 were the same as the basic (loss)/earnings per share as the exercise prices of the share options granted and the unlisted warrants and convertible notes issued by the Company were higher than the relevant average market price of the Company's shares, for both periods.

9. EXPLORATION AND EVALUATION ASSETS

	Exploration rights *HK$'000*	Exploratory drilling *HK$'000*	Geological studies *HK$'000*	Others *HK$'000*	Total *HK$'000*
Cost					
At 1 January 2013	3,235,986	67,898	275,219	43,064	3,622,167
Additions	1,281	360	847	–	2,488
Exchange adjustments	(3,848)	(11,329)	(60,498)	(3,040)	(78,715)
At 31 December 2013	3,233,419	56,929	215,568	40,024	3,545,940
At 1 January 2014	**3,233,419**	**56,929**	**215,568**	**40,024**	**3,545,940**
Additions	**992**	**252**	**250**	**–**	**1,494**
Exchange adjustments	**(2,564)**	**(6,965)**	**(36,969)**	**(1,851)**	**(48,349)**
At 30 June 2014	**3,231,847**	**50,216**	**178,849**	**38,173**	**3,499,085**
Accumulated impairment					
At 1 January 2013	–	29,108	–	–	29,108
Exchange adjustments	–	(7,160)	–	–	(7,160)
At 31 December 2013	–	21,948	–	–	21,948
At 1 January 2014	**–**	**21,948**	**–**	**–**	**21,948**
Exchange adjustments	**–**	**(4,363)**	**–**	**–**	**(4,363)**
At 30 June 2014	**–**	**17,585**	**–**	**–**	**17,585**
Carrying amount					
At 30 June 2014	**3,231,847**	**32,631**	**178,849**	**38,173**	**3,481,500**
At 31 December 2013	3,233,419	34,981	215,568	40,024	3,523,992

As at the end of the reporting period, the management of the Group determines that there is no event and changes in circumstances indicate that the carrying amount of the exploration and evaluation assets may not be recoverable. As a result, no impairment of exploration and evaluation assets is recognised.

10. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements *HK$'000*	Machinery *HK$'000*	Furniture, Fixtures and office equipment *HK$'000*	Motor vehicles *HK$'000*	Oil and gas properties *HK$'000*	Construction in progress *HK$'000*	Total *HK$'000*
Cost							
At 1 January 2013	1,726	–	1,523	4,495	11,581	–	19,325
Additions	27	–	286	1,022	1,269	412	3,016
Acquisition through business combination	–	9,582	175	155	–	20,564	30,476
Disposals	–	(596)	–	(62)	(2,448)	(570)	(3,676)
Effect of foreign currency exchange differences	45	39	(130)	(117)	4	83	(76)
At 31 December 2013	1,798	9,025	1,854	5,493	10,406	20,489	49,065
At 1 January 2014	**1,798**	**9,025**	**1,854**	**5,493**	**10,406**	**20,489**	**49,065**
Additions	**539**	**91**	**863**	**–**	**271**	**30,074**	**31,838**
Acquisition through business combination *(note 18)*	**–**	**350**	**132**	**129**	**26,154**	**700**	**27,465**
Disposals	**(388)**	**–**	**(7)**	**–**	**–**	**–**	**(395)**
Effect of foreign currency exchange differences	**(11)**	**(80)**	**(189)**	**(148)**	**(871)**	**(234)**	**(1,533)**
At 30 June 2014	**1,938**	**9,386**	**2,653**	**5,474**	**35,960**	**51,029**	**106,440**
Accumulated depreciation and impairment							
At 1 January 2013	332	–	540	2,732	2,220	–	5,824
Charge for the year	374	109	279	595	161	–	1,518
Eliminated on disposal of assets	–	–	–	–	(2,381)	–	(2,381)
Effect of foreign currency exchange differences	6	3	(64)	(87)	–	–	(142)
At 31 December 2013	712	112	755	3,240	–	–	4,819
At 1 January 2014	**712**	**112**	**755**	**3,240**	**–**	**–**	**4,819**
Charge for the period	**166**	**525**	**297**	**353**	**3,521**	**–**	**4,862**
Eliminated on disposal of assets	**(387)**	**–**	**(6)**	**–**	**–**	**–**	**(393)**
Effect of foreign currency exchange differences	**(3)**	**(7)**	**(63)**	**(83)**	**(374)**	**–**	**(530)**
At 30 June 2014	**488**	**630**	**983**	**3,510**	**3,147**	**–**	**8,758**
Carrying amount							
At 30 June 2014	**1,450**	**8,756**	**1,670**	**1,964**	**32,813**	**51,029**	**97,682**
At 31 December 2013	1,086	8,913	1,099	2,253	10,406	20,489	44,246

11. INTANGIBLE ASSETS

	Rights on oil sharing HK$'000 *(note a)*	Oil production rights HK$'000 *(note b)*	Operating rights HK$'000 *(note c)*	Total HK$'000
Cost				
At 1 January 2013	–	7,059	–	7,059
Additions	–	1,961	–	1,961
Acquired through business combination	–	154,372	67,072	221,444
Disposals	–	(6,694)	–	(6,694)
Effect of foreign currency exchange differences	–	3	–	3
At 31 December 2013	–	156,701	67,072	223,773
At 1 January 2014	**–**	**156,701**	**67,072**	**223,773**
Acquired through business combination *(note 18)*	**91,931**	**–**	**–**	**91,931**
Effect of foreign currency exchange differences	**(3,047)**	**(5)**	**(246)**	**(3,298)**
At 30 June 2014	**88,884**	**156,696**	**66,826**	**312,406**
Accumulated amortization and impairment				
At 1 January 2013	–	2,313	–	2,313
Charge for the year	–	–	1,081	1,081
Eliminated on disposal of assets	–	(2,310)	–	(2,310)
Effect of foreign currency exchange differences	–	(3)	–	(3)
At 31 December 2013	–	–	1,081	1,081
At 1 January 2014	**–**	**–**	**1,081**	**1,081**
Charge for the period	**4,040**	**8**	**3,758**	**7,806**
Effect of foreign currency exchange differences	**(446)**	**–**	**(15)**	**(461)**
At 30 June 2014	**3,594**	**8**	**4,824**	**8,426**
Carrying amount				
At 30 June 2014	**85,290**	**156,688**	**62,002**	**303,980**
At 31 December 2013	–	156,701	65,991	222,692

Note:

a. It represents the rights on oil sharing regarding the oil produced in the Palmar Largo concession areas. Amortization is calculated using the unit of production method based upon the estimated proved and probable oil reserves to write off the cost over the production period, less any estimated residue value.

b. It represents the rights on developing and exploiting of hydrocarbons in Altamont-Bluebell field in Utah of the US for the lease interests hold by the Group. Amortization is calculated using the unit of production method based upon the estimated proved and probable oil reserves to write off the cost over the production period, less any estimated residue value. As there was no production during the period under review, no amortization was recognised.

c. It represents the rights to operate natural gas service stations and to distribute natural gas in various locations in PRC. Operation rights have finite useful lives and are carried at cost less accumulated amortization. Amortization is calculated using the straight line method to allocated the cost over their remaining useful lives ranging from 30 to 50 years for natural gas distribution services.

12. GOODWILL

	2014	2013
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Cost and Carrying amount:		
At 1 January	**33,620**	–
Arising on acquisition of subsidiaries during the year	**–**	33,620
Acquired through business combination *(note 18)*	**3,266**	–
Effect of foreign currency exchange differences	**(109)**	–
At 30 June/31 December	**36,777**	33,620

Note:

As at the end of the reporting period, the management of the Group determines that there is no event that indicates that the carrying amount of each cash-generating unit may not be recoverable. As a result, no impairment on goodwill is recognised.

13. TRADE AND OTHER RECEIVABLES

	As at 30 June 2014	As at 31 December 2013
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade receivables *(note)*	**8,010**	506
	8,010	506
Other receivables	**38,402**	30,414
Less: Allowance for doubtful debts	**(2,613)**	(2,640)
	35,789	27,774
Loan receivables	**5,183**	6,453
Amount due from associates	**6,512**	6,316
Amount due from joint venture	**3,992**	2
Amount due from a related company	**–**	6,852
Amount due from non-controlling shareholders	**21,189**	19,162
Loans and receivables	**80,675**	67,065
VAT recoverable	**40,981**	46,410
Other tax recoverable	**6,147**	4,766
Prepayments and deposits	**115,825**	89,034
	243,628	207,275
Analysed as:		
Non-current	**114,679**	114,597
Current	**128,949**	92,678
	243,628	207,275

Note:

Ageing analysis

The following is an analysis of trade receivables by age presented based on the invoice date, which approximates the respective revenue recognition dates.

	As at 30 June 2014 *HK$'000* **(Unaudited)**	As at 31 December 2013 *HK$'000* (Audited)
0–30 days	**8,010**	506
31–60 days	**–**	–
61–90 days	**–**	–
Over 90 days	**–**	–
	8,010	506

Trade receivables are due within 30 days (2013: 30 days) from the date of billing.

14. CASH AND CASH EQUIVALENTS

	As at 30 June 2014 *HK$'000* **(Unaudited)**	As at 31 December 2013 *HK$'000* (Audited)
Deposits with banks	**7**	22
Cash at bank and in hand	**46,573**	87,082
Cash and cash equivalents in the condensed consolidated statement of financial position and the condensed consolidated statement of cash flows	**46,580**	87,104

15. TRADE AND OTHER PAYABLES

	As at 30 June 2014 *HK$'000* **(Unaudited)**	As at 31 December 2013 *HK$'000* (Audited)
Trade payables *(note)*	**6,115**	6,418
Other payables and accruals	**86,030**	50,354
Amount due to a joint venture	**–**	35
Amount due to a director	**630**	634
Financial liabilities measured at amortized cost	**92,775**	57,441

Note:

Ageing analysis

The following is an analysis of trade payables by age presented based on the invoice date at the end of the reporting period.

	As at 30 June 2014 *HK$'000* (Unaudited)	As at 31 December 2013 *HK$'000* (Audited)
0–30 days	**4,589**	6,418
31–60 days	**1,429**	–
61–90 days	**28**	–
Over 90 days	**69**	–
	6,115	6,418

16. BANK AND OTHER BORROWINGS

	As at 30 June 2014 *HK$'000* (Unaudited)	As at 31 December 2013 *HK$'000* (Audited)
Bank loan, secured and guaranteed *(note (a))*	**17,600**	17,600
Other borrowings, unsecured and unguaranteed *(note (b))*	**165,015**	163,190
Fixed rate bonds, unsecured *(note (c))*	**119,568**	10,227
	302,183	191,017

As at 30 June 2014, bank and other borrowings were due for repayment as follows:

	As at 30 June 2014 *HK$'000* (Unaudited)	As at 31 December 2013 *HK$'000* (Audited)
Within 1 year or on demand	**81,417**	175,731
After 1 year but within 2 years	**101,738**	5,059
After 2 years but within 5 years	**–**	–
After 5 years	**119,028**	10,227
	220,766	15,286
	302,183	191,017

Analysis of carrying amount:

	HK$'000 **(Unaudited)**	*HK$'000* (Audited)
Current liabilities	**81,417**	175,731
Non-current liabilities	**220,766**	15,286
	302,183	191,017

Notes:

(a) As at 30 June 2014, the bank borrowings represent approximately HK$17,600,000 (31 December 2013: HK$17,600,000) borrowed from a bank financed by a bank facilities of HK$25,000,000 and secured by deposits maintained with a bank in PRC. The borrowings bear interest at a percentage rate per annum equal to the aggregate of 1.9% and HIBOR. The bank borrowings were fully repaid on 1 August 2014 and the secured deposits were released afterward.

(b) The other borrowings comprise:

(i) HK$31,951,000 (31 December 2013: 31,335,000) borrowed from an independent third party, bearing interest fixed at 4% per annum and repayable on 31 December 2015.

As at 31 December 2013, the loan was repayable on 21 February 2014 and was classified under current liabilities. The agreement was renewed on 21 February 2014 to further extend the loan principal together with the interest accrued to 31 December 2015.

(ii) HK$19,257,000 (31 December 2013: HK$18,073,000) borrowed from a non-controlling shareholder of an indirect wholly-owned subsidiary, bearing interest fixed at 4% per annum and repayable on 10 November 2014.

(iii) HK$15,741,000 (31 December 2013: HK$15,320,000) borrowed from a related company, China Venturetechno International Co., Ltd. ("China Venturetechno"), interest charged at 5-6% per annum, of which HK$5,208,000 (31 December 2013: HK$5,060,000) was repayable on demand and the remaining HK$10,533,000 (31 December 2013: HK$10,260,000) was repayable on 10 July 2014. Included in the balance HK$5,208,000 (31 December 2013: HK$5,060,000) borrowed by the Company.

The Group repaid both the borrowings in full on 10 July 2014. On 11 July 2014, the Company entered into a new loan agreement with China Venturetechno, for a loan facility of HK$15,000,000, which bears interest fixed at 6% per annum and repayable on the date falling 24 months from the drawdown of the loan. The loan was then drawdown on 14 July 2014.

Mr. Cheng Kam Chiu, the executive director and chairman of the Company, is a common director.

(iv) HK$71,622,000 (31 December 2013: 69,892,000), denominated in US dollars, borrowed from an independent third party. Interest was charged at a percentage rate per annum equal to Hong Kong dollar prime rate issued by the Hong Kong and Shanghai Commercial Banking Corporation Limited and repayable on 19 June 2016.

As at 31 December 2013, the loan was repayable on 19 June 2014 and was classified under current liabilities. On 19 June 2014, a supplement agreement has been entered into between the Company and the lender to change the final maturity from 19 June 2014 to 19 June 2016.

(v) HK$18,888,000 (31 December 2013: HK$19,689,000), denominated in Renminbi, borrowed from an independent third party, interest charged at 20% per annum and repayable on 17 October 2014.

(vi) HK$7,556,000 (31 December 2013: HK$8,881,000), denominated in Renminbi, borrowed from two independent third parties, interest free and repayable on demand.

(c) HK$119,568,000 (31 December 2013: HK$10,227,000) represented 7-years bonds issued by the Company. The bonds are unsecured and carry interest rate at 5-8% per annum (31 December 2013: 5% per annum) and due on the seventh anniversary of the date of issue, of which HK$3,028,000 (31 December 2013: HK$Nil) is early redeemable on demand by both the Company and the bondholder after the third anniversary of the date of issue.

17. SHARE CAPITAL

	(Unaudited) As at 30 June 2014		(Audited) As at 31 December 2013	
	Number of shares	**Amount**	Number of shares	Amount
	'000	***HK$'000***	*'000*	*HK$'000*
Authorised:				
Ordinary shares of HK$0.50 each	**4,000,000**	**2,000,000**	4,000,000	2,000,000
Ordinary shares, issued and fully paid:				
At 1 January	**1,169,998**	**584,999**	676,416	338,208
Shares issued under acquisition of subsidiaries	**–**	**–**	90,753	45,376
Share issued upon conversion of convertible notes	**–**	**–**	160,681	80,341
Shares issued under placements	**–**	**–**	71,000	35,500
Subscription of new shares	**–**	**–**	124,534	62,267
Issue of consideration shares	**–**	**–**	21,450	10,725
Issue of remuneration shares *(note a)*	**6,632**	**3,316**	–	–
Shares issued under share option scheme *(note b)*	**1,244**	**622**	25,164	12,582
At 30 June 2014 and 31 December 2013	**1,177,874**	**588,937**	1,169,998	584,999

Notes:

(a) Issue of remuneration shares

On 30 January 2014, the Company issued 2,631,579 ordinary shares to Grottini Limited, the business development consultant of the Company, as remuneration for its provision of consultancy services to the Company for a term of 24 months.

On 23 May 2014, the Company issued 4,000,000 ordinary shares to Golden Porter Limited, the business development consultant of the Company, as remuneration for its provision of consultancy services to the Company for a term of 24 months.

(b) Shares issued under share option scheme

During the period under review, options were exercised to subscribe for 1,244,000 ordinary shares in the Company at a consideration of HK$1,288,000, of which HK$622,000 was credited to the share capital and HK$666,000 was credited to the share premium account. An amount of HK$9,000 has been transferred from share-based compensation reserve to the share premium account.

18. BUSINESS COMBINATION

On 26 February 2014, the Group acquired 38.15% participating interest in Palmar Largo UTE (the "Palmar Largo UTE Interest"), and an aggregate consideration of AR$105,425,000 (equivalent to approximately HK$103,866,000) was paid by the Group fully in cash. The Palmar Largo UTE Interest consists of (i) rights and obligations arising from the joint venture contract that aims at the exploration, development and exploitation of hydrocarbons in the Palmar Largo concession area and (ii) interest in the production equipment and facilities required to perform and execute the exploitation work. The principal activity of Palmar Largo UTE is engaged in the exploration, development and exploitation of hydrocarbons in Palmar Largo block and Balbuena Este block located in Argentina's Noroeste Basin of Argentina.

The acquisition provided the Group operational synergy as well as to boost the business performance of the Group. Also, the acquisition has further strengthened our asset portfolio in Argentina and to enhance operational cost efficiency.

Pursuant to the agreement, the Group entitled for AR$18,224,000 (equivalent to approximately HK$17,955,000) regarding the exploitation operating results from 1 July 2013 to the date of completion (i.e., 26 February 2014), in which AR$11,775,000 (equivalent to HK$11,600,000) was received in cash.

For the period under review, Palmar Largo Interest contributed revenue and profit of approximately HK$29,551,000 and HK$6,695,000 respectively to the revenue and loss of the Group.

Had the business combination been effected on 1 January 2014, the revenue and loss for the period under review would have been HK$44,327,000 and HK$10,042,000 respectively.

The provisional fair value of the identifiable assets and liabilities arising from the acquisition as at the date of acquisition are as follows:

	Acquiree's provisional fair value at acquisition date
	HK$'000
Property, plant and equipment *(note 10)*	27,465
Intangible assets *(note 11)*	91,931
Inventories	7,191
Trade and other receivables	143
Cash and cash equivalents	248
Trade and other payables	(2,857)
Current taxation	(284)
Provisions	(7,626)
Deferred tax liabilities	(33,566)
Total identifiable net assets	82,645
Consideration transferred by cash	103,866
Less: Exploitation operating results from 1 July 2013 to the completion date	(17,955)
Less: Provisional fair value of identifiable net asset acquired	(82,645)
Provisional goodwill arising on acquisition	3,266
Consideration, satisfied in cash	103,866
Less: Deposit paid	(47,328)
Cash received in relation to the exploitation operating result from 1 July 2013 to the completion date	(11,600)
Cash and cash equivalent balances acquired	(248)
Net cash outflow	44,690

In the opinion of the directors of the Company, the fair value of the receivables acquired (which principally comprised of trade and other receivables) approximated to the gross contractual amounts, the best estimate at acquisition date of the contractual cash flows of receivables were expected to be collected.

The provisional goodwill recognised is primarily attributed to the expected synergies and other benefits from combining the assets and activities of Palmar Largo UTE Interest with those of the Group. None of the provisional goodwill recognised is expected to be deductible for income tax purposes.

Transaction cost of HK$381,000 have been expensed and are included in administrative expenses in the condensed consolidated statement of profit or loss and are part of the operating cash flows in the condensed consolidated statement of cash flows.

19. COMMITMENTS

(a) Capital commitments

Capital commitments outstanding as at 30 June 2014 not provided for in the condensed consolidated financial statement were as follows:

	As at 30 June 2014 *HK$'000* **(Unaudited)**	As at 31 December 2013 *HK$'000* (Audited)
Contracted for		
— Acquisition of interests in the rights of oil exploration and exploitation	**5,000**	5,000
— Investment in an associate	**25,184**	25,375
— Investment in subsidiaries	**47,763**	–
— Property, plant and equipments	**14,008**	–
— Deposit paid for potential investment	**–**	53,421
	91,955	83,796

(b) Commitments under operating leases

As at 30 June 2014, the Group had commitments for future minimum lease payments under non-cancellable operating leases payable as follows:

	As at 30 June 2014 *HK$'000* **(Unaudited)**	As at 31 December 2013 *HK$'000* (Audited)
Within one year	**4,438**	2,968
In the second to fifth year, inclusive	**7,425**	4,481
More than five year	**697**	–
	12,560	7,449

The Group leases its office under operating lease arrangements. The leases for properties are negotiated for a term ranged from one to three years. None of the leases includes contingent rentals.

Included in the balance of approximately HK$5,802,000 (2013: approximately HK$2,382,000) was payable to New World Tower Company Limited, a related party of the Group.

20. EVENTS AFTER THE REPORTING PERIOD

On 16 July 2014, Clear Elite Holdings Limited ("Clear Elite"), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Rio Capital Limited ("Rio Capital), an independent third party, to acquire several oil and gas properties located in Utah and Wyoming of the US (the "Properties") for an aggregate consideration of US$11,050,000 (equivalent to approximately HK$86,190,000), of which US$2,150,000 (equivalent to HK$16,770,000) has been paid in cash as earnest money for the acquisition. The remaining consideration will be satisfied by issue of 138,840,000 consideration shares at an issue price of HK$0.50 per share. Further on 26 August 2014, Clear Elite and Rio Capital entered into a supplemental agreement to redefine the term "Properties", amend several relevant terms subject to the modification of definition, and waive certain conditions precedent. The acquisition of Properties was then completed on the same date after the execution of the supplemental agreement.

MANAGEMENT DISCUSSION AND ANALYSIS

GENERAL REVIEW

The Group's strategy is still at looking around the world, especially in America, for undervalued yet high-potential oil and gas assets. During the period under review, the Group acquired 38.15% participating interest in Palmar Largo block in Argentina. This transaction increased the Group's net proved reserves for approximately 1,221 MBOE and brought an immediate net production of approximately 360 BOPD to the Group, which provides the Group steady and reliable revenue and cash flows.

For the six months ended 30 June 2014, the Group's turnover was HK$32.78 million (for the six months ended 30 June 2013: HK$177.66 million), representing a decrease of 81.5%, which was mainly due to the absence of resource-related trading concluded during the period under review. However, as a result of the completion of Palmar Largo acquisition, the gross profit for the six months ended 30 June 2014 has been improved by HK$3.78 million, representing an increase of 197.3%. The increase strongly indicated its profitability and contribution to the Group. During the period under review, the Group recorded a loss attributable to owners of the Company of HK$46.14 million (for the six months ended 30 June 2013: profit attributable to owners of the Company of HK$39.07 million). The adverse change was mainly due to (i) the absence of extraordinary items of gain on bargain purchase and net gain on disposal of oil properties in the current period; (ii) the increase in administrative expenses and finance costs of the Group; and (iii) the under-provision of Argentina corporate income tax for prior year.

Administrative expenses of the Group for the period amounted to HK$66.28 million (for the six months ended 30 June 2013: HK$47.59 million), representing an increase of HK$18.69 million in compare with the previous comparable period. Staff costs, legal and professional expenses and consultancy fees continue acting as the key components of administrative expenses of the Group.

Finance costs of the Group for the period amounted to HK$14.18 million (for the six months ended 30 June 2013: HK$4.89 million), representing an increase of HK$9.29 million in compare with the previous comparable period. The increase is in line with the increase in interest bearing debts of the Group during the period under review.

REVIEW OF BUSINESS OPERATIONS

Oilfield Exploration and Exploitation Business

Tartagal and Morillo Concessions

The Tartagal Oriental concession and Morillo concession (collectively the "T&M Concessions") located in the province of Salta in northern Argentina, covering a total surface area of approximately 7,065 km^2 and 3,518 km^2 respectively, remain the core assets and business of the Group. Through the increase in its stake in last year, the Group now has 69.25% interests in the T&M Concessions.

Exploration, Development and Production in the T&M Concessions

In the first half of 2014, the Group started preparatory work for exploratory drilling in the Morillo Block planned to begin in the second half of 2014. Meanwhile, geochemical surveys in the T&M Concessions areas are still continuing. During the period under review, the T&M Concessions are still in the exploration stage, and there has been no development or production activity performed. Development and production activities will commence once drilling supported by exploration data from the T&M Concessions areas suggest that there are commercially viable reserves.

Expenditures incurred for exploration activities during the period under review are as follows:

Nature of Expenditure	**Amount**
	HK$'000
Exploration rights	992
Geological and geochemical studies	250
Exploratory drillings	252
Others	389
Total	1,883

Palmar Largo Concession

The Palmar Largo Concession (the "PL Concession") is located in Argentina's Noroeste Basin. The PL Concession includes two blocks. The first is the Palmar Largo block, located mainly in the Province of Formosa, covering an area of 1,221.1 km^2. This block holds the most important fields within the PL Concession. The second is the Balbuena Este block located further west in the Province of Salta, covering an area of 161 km^2 and containing the Balbuena Este oil field.

On 26 February 2014, the Group completed its acquisition of 38.15% participating interest of Palmar Largo UTE ("PL Participating Interest"), and also became the UTE's operating partner. This acquisition contributed to the Group an additional 954 MBBL of 1P Reserves and 1,104 MBBL of 2P Reserves.

During the period under review, the Group shared from the Palmar Largo UTE around 46 MBBL regarding our PL Participating Interest, which contributed revenue of HK$29.55 million (for the six months ended 30 June 2013: HK$Nil) from the sale of these crude oils at selling price ranged from US$70 to US$78 per barrel.

Exploration, Development and Production in the PL Concession

The Palmar Largo UTE currently has 10 producing wells with aggregate daily production level at around 950 BOPD. For the year 2014, the Palmar Largo UTE has planned to work-over five wells, and the first workover well was started and in progress. Once the scheduled workovers on the wells are completed, it is expected that the daily production level can be enhanced by as much as 250 BOPD, which would achieve around 1,200 BOPD for the whole field. As the PL Concession is a mature area, there is no currently planned activity for further exploration and development although there are a number of interesting prospective locations which are under study for future drilling. The Palmar Largo UTE will focus on enhance and improve the current production level.

Expenditures incurred from the production activities during the period under review regarding the Group's PL Participating Interest are as follows:

Nature of Expenditure	**Amount**
	HK$'000
Acquisition costs	103,866
Production cost	20,891
Capital expenditures	820
Total	125,557

Investment in Oil and Gas Properties in Utah, the United States

Natural Buttes project

During the period under review, Natural Buttes project recorded an average production of 6 BOPD (31 December 2013: 10 BOPD). The Group generated revenue of HK$0.65 million (for the six months ended 30 June 2013: HK$1.09 million) from the sale of crude oil of around 1.0 MBBL (for the six months ended 30 June 2013: 2.0 MBBL) at an average price of around US$81 per barrel. The Group believes, by devoting further capital expenditure to workover these wells, the aggregate production volume from these wells could increase, which may reach approximately 40 to 50 BOPD.

Altamont-Bluebell project

During the period under review, the Group is still reworking some wells to achieve for production. The Group will devote more resources and efforts and monitor closely on the rework to get this project starting production in the second half of 2014.

During the period under review, the Group made the following expenditures in relation to its development and production activities performed in Utah, US:

Nature of expenditure	Bar Mesa project *HK$'000*	Altamont-Bluebell project *HK$'000*	Total *HK$'000*
Capital expenditures	–	271	271
Development costs	–	2,593	2,593
Production costs	1,322	–	1,322
	1,322	2,864	4,186

Downstream Natural Gas Business

During the period under review, the Group recorded sales of approximately HK$2.58 million (for the six months ended 30 June 2013: HK$Nil) contributed by the two operating gas stations in Liupanshui city and Liuzhi special district in Guizhou province, with gross profit of HK$0.31 million (for the six months ended 30 June 2013: HK$Nil).

As the Group decided to streamline its corporate structure and cement its upstream asset base by disposal of its downstream natural gas business, the Group will continue liaise with Blue Sky Power Holdings Limited (formerly known as "China Print Power Group Limited") (stock code: 06828) regarding the disposal of the entire downstream LNG/CNG business of the Group, and try to finalize and conclude into a formal agreement before the end of September 2014.

Trading Business

In the first half of 2014, the Group continued to operate in its resource-related trading business and is in negotiation with new business partners to further broaden our customers and suppliers bases as well as to diversify our revenue sources. However, it is unfortunately that the Group did not record any sales (for the six months ended 30 June 2013: HK$175.78 million) and gross profit (for the six months ended 30 June 2013: HK$3.36 million) in its trading business during the period under review. This was happened because of the changes in the oil commodities markets which increased our difficulties in concluding trading contracts in the first half of 2014. Looking forward the remaining 2014, the Group will devote more efforts to restore and unlock growth potential of the business.

OUTLOOK

The completion of the acquisition of 38.15% participating interest in Palmar Largo block brings the Group a stable revenue driver and provides steady operating cash inflow to the Group. Looking forward, the Group will:

- continue workover the wells in Palmar Largo to enhance the present production level;
- drill exploratory wells in the Morillo block to examine and identify for oil and gas reserves;
- negotiate and conclude into a final agreement with China Print Power Group Limited for the disposal of the entire downstream LNG/CNG business to achieve the streamline of corporate structure; and
- devote more resources to recover our resource-related trading business as before.

In addition, the Group will continue to look for strategic acquisitions and partnership opportunities in line with its expansion strategy or provide synergy to its principal business activities. The Group will also seek for new investment opportunities to enhance the shareholders' value.

LIQUIDITY AND FINANCIAL RESOURCES

Capital Structure, Liquidity and Financial resources

During the period under review, the Group mainly financed its operations from its own working capital and by issuance of long-term bonds.

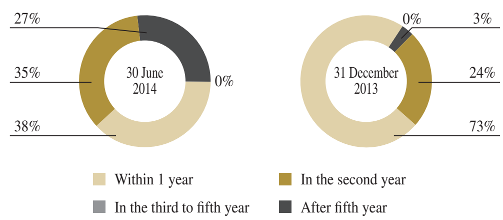
As at 30 June 2014, the Group's total cash and bank balances was approximately HK$65.47 million (including pledged bank deposits) (31 December 2013: HK$106.14 million), representing a decrease of HK$40.67 million compared with 31 December 2013. The decrease during the period under review was mainly resulted in the net cash outflow of approximately HK$44.69 million cash in relation to the consideration paid for acquisition of 38.15% participating interest of Palmar Largo UTE.

As at 30 June 2014, the total equity of the Group was HK$3,834.37 million (31 December 2013: HK$3,950.90 million) and the net asset value per share was HK$3.26 (31 December 2013: HK$3.38). The debt ratio, calculated by total liabilities divided by total assets, was 14.27% as at 30 June 2014 (31 December 2013: 10.45%).

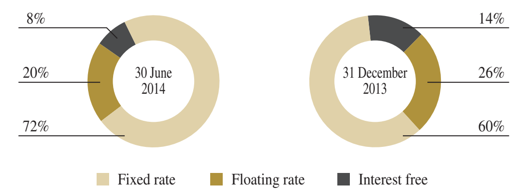
As at 30 June 2014, the total asset value and net current liabilities of the Group was approximately HK$4,472.36 million (31 December 2013: HK$4,411.96 million) and HK$9.41 million (31 December 2013: HK$96.07 million) respectively.

Total borrowings outstanding at 30 June 2014 were HK$435.94 million (31 December 2013: HK$335.54 million), comprising bank and other borrowings, debt securities in issue and obligations under finance lease. The profile of the Group's borrowings as at 30 June 2014 is set out in the tables below:

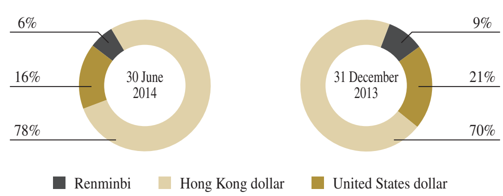
Debt Profile by Maturity



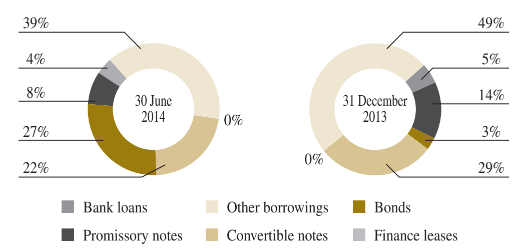
Debt Profile by Interest Rate Structure



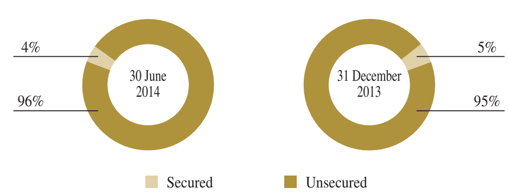
Debt Profile by Currencies



Debt Profile by Types of Borrowings



Debt Profile by Security nature



Gearing ratio

As at 30 June 2014, the gearing ratio, calculated on the basis of interest bearing borrowings divided by total equity, was 10.43% (31 December 2013: 7.28%).

Charge on Assets

As at 30 June 2014, bank deposit of HK$18.89 million (31 December 2013: HK$19.03 million) was pledged to a bank to secure for a revolving banking borrowing facilities. The pledged bank deposit was then released in August 2014 after the fully repayment of the relevant bank loan.

Contingent Liability

As at 30 June 2014 and 31 December 2013, the Group did not have any material contingent liabilities.

Capital Commitments

Details of the capital commitments of the Group are set out in note 19(a) to the condensed consolidated financial statements.

Foreign Exchange Exposure

Assets and liabilities of the Group are mainly denominated in Hong Kong dollar, Renminbi, United States dollar and Argentine peso. Most of these assets and liabilities are in functional currency of the operations to which the transactions relate. The currencies give rise to the foreign exchange risk is primarily United Stated dollars and Renminbi. As Hong Kong dollars was pegged to United States dollars and the fluctuation of Renminbi during the period under review is moderate, the Group has had minimal exposures to foreign exchange fluctuations. Thus, the Group currently does not have a foreign currency hedging policy. However, the management will monitor the Group's foreign exchange exposure on an ongoing basis and will consider hedging significant foreign currency exposure should the need arise.

Employees

As at 30 June 2014, the Group employed a total of 128 (31 December 2013: 120) permanent employees in Hong Kong, PRC, United States and Argentina. Total employee remuneration (including directors' emoluments and benefits) amounted to HK$16.75 million (for the six months ended 30 June 2013: HK$12.43 million). The Group provides its employees with competitive remuneration packages which were determined by their personal performance, qualifications, experience, and relevant market conditions in the respective geographical locations and businesses in which the Group operates.

Material Acquisitions and Disposals

Save for as disclosed in notes to the condensed consolidated financial statements, the Group does not have any material acquisition and disposal during the period under review.

Significant Investments

(i) Nordaq Energy, Inc. ("Nordaq")

During the period under review, Nordaq bided for four additional leases in a recent lease auction and awarded for all four leases, which are adjacent to its two existing leases. The successful on awarding these leases has doubled Nordaq's licensed area over the promising Anakema lead, which reassured that Nordaq is one of the most active and successful companies operating in the Cook Intel Basin.

In addition, Nordaq plans to move ahead with its Shadura project in Alaska's northern Kenai Peninsula, to drill a second well in the prospect in the fall.

(ii) BCM Energy Partners, Inc ("BCM")

During the period under review, BCM sold its entire interests in the asset known as University Field to Essex Energy LLC in a private transaction valued at approximately US$2.4 million (equivalent to HK$18.6 million) including the assumption of all liabilities associated with the asset. As a result of this transaction, BCM has regained 100% of the membership interest in BCM Louisiana and will record a non-cash gain of approximately US$113,000 (equivalent to HK$876,000).

CORPORATE GOVERNANCE AND OTHER INFORMATION

Code on Corporate Governance Practices

The Company has complied with the applicable code provisions and, where appropriate, the applicable recommended best practices set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the six months ended 30 June 2014, save and except for the following deviation:

Code Provision A.4.1

Under Code Provision A.4.1, non-executive directors should be appointed for a specific term and subject to re-election. During the period, all Non-executive Directors and Independent Nonexecutive Directors are not appointed for a specific term. They are, however, subject to the requirement of retirement and re-election at least once every three years at the annual general meetings of the Company in accordance with the relevant provisions of the Company's byelaws. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the code provisions of the CG Code.

Purchase, Sale and Redemption of Listed Securities

During the six months ended 30 June 2014, neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's securities listed on The Stock Exchange of Hong Kong Limited.

Review of Interim Results

The Audit Committee of the Company has reviewed the unaudited condensed consolidated financial statements and the interim report of the Group for the six months ended 30 June 2014.

Publication of Interim Results and Interim Report

This announcement of interim results of the Group for the six months ended 30 June 2014 is published on the websites of the Company (www.nt-energy.com) and Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk). The interim report of the Company for the six months ended 30 June 2014 containing all the information required by the Listing Rules shall be despatched to the shareholders of the Company and made available on the abovementioned websites in due course.

GLOSSARY

"BOPD"	Barrels of oil per day
"km^2"	Square kilometers
"MBBL"	Thousands barrels of oil
"MBOE"	Thousands barrels of oil equivalent
"Probable reserves"	Additional reserves that are less certain to be recovered than Proven reserves but which, together with Proven reserves, are as likely as not to be recovered
"Proven reserves"	Proven oil and gas reserves are those quantities of oil and gas which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible
"1P Reserves"	Proven reserves
"2P Reserves"	Proven reserves + Probable reserves

By order of the Board
New Times Energy Corporation Limited
Cheng Kam Chiu, Stewart
Chairman

Hong Kong, 28 August 2014

As at the date of this announcement, the Board comprises seven directors, of whom two are executive directors, namely Mr. Cheng Kam Chiu, Stewart and Mr. Cheng Ming Kit; one is a non-executive director, namely Mr. Heffner, Paul Lincoln; and four are independent non-executive directors, namely Mr. Wong Man Kong, Peter, Mr. Chan Chi Yuen, Mr. Yung Chun Fai, Dickie and Mr. Chiu Wai On.