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 2020

FINANCIAL HIGHLIGHTS

	Six months ended 30 June 2020	Six months ended 30 June 2019
Revenue *(HK$'000)*	**298,002**	203,776
Loss before taxation *(HK$'000)*	**(53,342)**	(639)
Loss for the period *(HK$'000)*	**(51,990)**	(10,303)
Loss per share – Basic *(HK cent)*	**(0.59)**	(0.12)

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2020.

* *For identification purpose only*

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 2020, together with the comparative figures for the corresponding period in 2019.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2020

		(Unaudited)	
		Six months ended 30 June	
		2020	2019
	Note	***HK$'000***	*HK$'000*
Revenue	*3*	**298,002**	203,776
Cost of sales		**(288,130)**	(190,898)
Gross profit		**9,872**	12,878
Other income	*4*	**(3,443)**	22,263
General and administrative expenses		**(19,213)**	(29,465)
Assets impairment losses	*5(c)*	**(602)**	–
Net investment (loss)/income	*5(d)*	**(32,968)**	4,723
(Loss)/profit from operations		**(46,354)**	10,399
Finance costs	*5(a)*	**(5,587)**	(7,831)
Share of losses of joint ventures		**(1,401)**	(3,207)
Loss before taxation	*5*	**(53,342)**	(639)
Income tax	*6*	**1,352**	(9,664)
Loss for the period		**(51,990)**	(10,303)
Attributable to:			
Owners of the Company		**(51,975)**	(10,301)
Non-controlling interests		**(15)**	(2)
Loss for the period		**(51,990)**	(10,303)
Loss per share	*8*		
Basic *(HK cent)*		**(0.59)**	(0.12)
Diluted *(HK cent)*		**(0.59)**	(0.12)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2020

	(Unaudited) Six months ended 30 June	
	2020	2019
	HK$'000	*HK$'000*
Loss for the period	**(51,990)**	(10,303)
Other comprehensive income for the period (after tax and reclassification adjustments):		
Item that will not be reclassified to profit or loss:		
Other investment in equity securities at fair value through other comprehensive income – net movement in fair value reserve (non-recycling)	**(5,467)**	1,585
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas and the People's Republic of China ("PRC") subsidiaries	**43**	118
Other comprehensive income for the period	**(5,424)**	1,703
Total comprehensive income for the period	**(57,414)**	(8,600)
Attributable to:		
Owners of the Company	**(57,399)**	(8,598)
Non-controlling interests	**(15)**	(2)
Total comprehensive income for the period	**(57,414)**	(8,600)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2020

	Note	(Unaudited) At 30 June 2020 HK$'000	(Audited) At 31 December 2019 HK$'000
Non-current assets			
Exploration and evaluation assets	*9*	**99,400**	103,835
Property, plant and equipment	*10*	**33,481**	28,539
Interest in joint ventures		**6,279**	7,849
Other investment in equity securities		**10,601**	16,068
Prepayments, deposits and other receivables	*11*	**7,622**	10,911
Total non-current assets		**157,383**	167,202
Current assets			
Inventories		**124,530**	14,304
Trade and other receivables	*11*	**28,136**	21,985
Current tax recoverable		**35**	41
Other financial assets	*12*	**82,926**	120,100
Cash and cash equivalents		**655,984**	771,662
Total current assets		**891,611**	928,092
Current liabilities			
Trade and other payables	*13*	**68,117**	64,246
Other borrowings	*14*	**113,540**	10,544
Lease liabilities		**2,870**	834
Derivative financial instruments		**2,521**	–
Provisions		**10,935**	9,968
Total current liabilities		**197,983**	85,592
Net current assets		**693,628**	842,500
TOTAL ASSETS LESS CURRENT LIABILITIES		**851,011**	1,009,702

	Note	(Unaudited) At 30 June 2020 HK$'000	(Audited) At 31 December 2019 HK$'000
Non-current liabilities			
Other borrowings	*14*	**38,000**	141,000
Lease liabilities		**4,478**	–
Deferred tax liabilities		**14,513**	11,711
Provisions		**11,187**	10,536
Total non-current liabilities		**68,178**	163,247
NET ASSETS		**782,833**	846,455
CAPITAL AND RESERVES			
Share capital	*15*	**87,589**	87,589
Reserves		**695,103**	758,710
Total equity attributable to owners of the Company		**782,692**	846,299
Non-controlling interests		**141**	156
TOTAL EQUITY		**782,833**	846,455

Notes:

1 GENERAL INFORMATION AND BASIS OF PREPARATION

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 I, 16-18 Queen's Road Central, Hong Kong respectively. The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

These condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange, including compliance with Hong Kong Accounting Standard ("**HKAS**") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants.

The condensed consolidated interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2019 annual financial statements, except for the adoption of a number of new and amended standards became applicable for the current reporting period. The Group did not change its accounting policies or make retrospective adjustments as a result of adopting these standards.

The preparation of the condensed consolidated interim financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

These condensed consolidated interim financial statements contain unaudited condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2019 annual financial statements. 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**").

2 POSSIBLE IMPACT OF NEW AND AMENDED STANDARDS ISSUED THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN EARLY ADOPTED BY THE GROUP

The Group has not yet adopted any new and amended standards that have been issued but are not yet effective. The Group is in the process of assessing the impact of adoption of such new and amended standards on the Group's results and financial position.

In March 2020, the IFRS Interpretations Committee issued a set of agenda decisions on translating the results of a hyperinflationary foreign operation into the non-hyperinflationary presentation currency in the parent's consolidated financial statements. The Group is in the process of assessing the impact of the adoption of such agenda decisions. On the basis of preliminary assessment to date, the adoption of such agenda decisions would result in all or part of the translation effects to be presented in other comprehensive income as opposed to directly in equity and present the cumulative pre-hyperinflation foreign exchange differences in the exchange reserve, with consequential impact on the carrying amounts of accumulated losses and exchange reserve, while having no overall impact on the Group's total equity. The actual impact may be different from the above preliminary assessment upon the Group finalised the assessment.

3 REVENUE AND SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by a mixture of both business lines and geography. In a manner consistent with the way in which information is reported internally to the Group's chief operating decision maker for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

Details of the Group's reportable segments are as follows:

Upstream: This segment is engaged in the exploration, development, production and sale of crude oil. Currently the Group's activities in this regard are carried out in Argentina.

Commodities trading: This segment includes trading of non-ferrous metals, gold and other products.

(a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines and geographical location of customers is as follows:

	Six months ended 30 June	
	2020	2019
	HK$'000	*HK$'000*
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products or service lines		
– Sales of oil products under oil exploration and production	**11,594**	18,802
– Sales of non-ferrous metals under commodities trading	**–**	184,974
– Sales of gold under commodities trading	**286,408**	–
	298,002	203,776
Disaggregated by geographical location of customers		
– Singapore	**–**	184,974
– Argentina	**11,594**	18,802
– Hong Kong	**286,408**	–
	298,002	203,776

(b) Information about profit or loss, assets and liabilities

Disaggregation of revenue from contracts with customers, as well as information regarding the Group's reportable segments as provided to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance for the period is set out below:

	Upstream		Commodities trading		Total	
	2020	2019	**2020**	2019	**2020**	2019
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
		(Restated)				(Restated)
For the six months ended 30 June						
Reportable segment revenue (note)	**11,594**	18,802	**286,408**	184,974	**298,002**	203,776
Reportable segment (loss)/profit	**(5,115)**	11,281	**(1,710)**	70	**(6,825)**	11,351
Depreciation and amortisation	**1,799**	2,596	**–**	–	**1,799**	2,596
Interest income	**5**	–	**–**	–	**5**	–
At 30 June 2020 and 31 December 2019						
Reportable segment assets	**159,457**	168,798	**133,035**	4,861	**292,492**	173,659
Reportable segment liabilities	**(27,956)**	(30,083)	**(3,227)**	(848)	**(31,183)**	(30,931)

Segment (loss)/profit represents the (loss)/profit resulted by each segment without allocation of assets impairment losses, net investment (loss)/income, share of losses of joint ventures, unallocated interest income and expense, and other net expenses in corporate head office. This is the measure reported to the Group's chief operating decision maker for the purposes of resource allocation and performance assessment. The Group's chief operating decision maker decided to allocate the hyperinflation monetary adjustments to the upstream reportable segment as a measure of business performance from the annual financial year 2019 onwards. The changes in presentation have been adopted retrospectively, and certain comparative figures have been restated.

Note: Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales during both the current and prior periods. All of the Group's revenue is recognised at a point in time.

(c) Reconciliations of reportable segment profit or loss

	Six months ended 30 June	
	2020	2019
	HK$'000	*HK$'000*
Reportable segment (loss)/profit	**(6,825)**	11,351
Unallocated interest expense	**(5,587)**	(7,831)
Unallocated interest income	**5,376**	7,497
Assets impairment losses	**(602)**	–
Other net expenses in corporate head office	**(11,335)**	(13,172)
Share of losses of joint ventures	**(1,401)**	(3,207)
Net investment (loss)/income	**(32,968)**	4,723
Loss before taxation	**(53,342)**	(639)

4 OTHER INCOME

	Six months ended 30 June	
	2020	2019
	HK$'000	*HK$'000*
Bank interest income	**5,381**	7,497
Net exchange loss	**(14,567)**	(9,555)
Drilling service income	**469**	786
Hyperinflation monetary adjustments	**8,079**	23,515
Change in fair value of derivative financial instruments	**(2,976)**	–
Others	**171**	20
	(3,443)	22,263

5 LOSS BEFORE TAXATION

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

	Six months ended 30 June	
	2020	2019
	HK$'000	*HK$'000*
(a) Finance costs		
Interest on other borrowings	**5,522**	7,772
Interest on lease liabilities	**65**	59
	5,587	7,831

	Six months ended 30 June	
	2020	2019
	HK$'000	*HK$'000*
(b) Staff costs (including directors' remuneration)		
Salaries, wages and other benefits	**7,989**	10,668
Contributions to defined contribution retirement plan	**903**	971
	8,892	11,639

	Six months ended 30 June	
	2020	2019
	HK$'000	*HK$'000*
(c) Assets impairment losses		
Exploration and evaluation assets (see note 9)	**602**	–

	Six months ended 30 June	
	2020	2019
	HK$'000	*HK$'000*
(d) Net investment loss/(income)		
Listed equity securities	**34,222**	(4,292)
Unlisted equity-linked securities	**(552)**	(181)
Listed debt securities	**(702)**	(250)
	32,968	(4,723)

	Six months ended 30 June	
	2020	2019
	HK$'000	*HK$'000*
(e) Other items		
Depreciation charge		
– owned property, plant and equipment	**1,809**	2,623
– right-of-use assets	**1,122**	1,060
Cost of inventories	**288,130**	190,898

6 INCOME TAX

	Six months ended 30 June	
	2020	2019
	HK$'000	*HK$'000*
Current tax – Hong Kong Profits Tax		
Provision for the period	**–**	–
Current tax – Overseas		
Provision for the period	**–**	24
Deferred taxation		
Origination and reversal of temporary differences	**(1,352)**	9,640
	(1,352)	9,664

Pursuant to the rules and regulations of Bermuda and the British Virgin Islands ("**BVI**"), the Company and its subsidiaries incorporated in Bermuda and BVI are not subject to any income tax in these respective jurisdictions during both the current and prior periods.

Hong Kong profits tax is calculated at the rate of 16.5% on the estimated assessable profit for both periods.

No Hong Kong profits tax has been provided for in the condensed consolidated interim financial statements as the Company and its subsidiaries incorporated or operated in Hong Kong did not have any assessable profits arising in Hong Kong during both the current and prior periods.

A subsidiary of the Group in PRC is subject to PRC enterprise income tax at 25% (2019: 25%).

Subsidiaries of the Group in Argentina are subject to Argentina corporate income tax ("**CIT**") at 30% (2019: 30%) 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 is the higher of either CIT or MPIT.

Taxation for other overseas subsidiaries of the Group is charged at the appropriate current rates of taxation ruling in the relevant countries and regions.

7 DIVIDENDS

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2020 (six months ended 30 June 2019: nil).

8 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to owners of the Company of HK$51,975,000 (six months ended 30 June 2019: HK$10,301,000) and the weighted average of 8,758,881,000 ordinary shares (six months ended 30 June 2019: 8,758,881,000 ordinary shares) in issue during the interim period.

(b) Diluted loss per share

For the six months ended 30 June 2020 and 2019, basic and diluted loss per share was the same as there were no potential ordinary shares in issue during the period.

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 2019	3,229,713	126,338	187,924	33,991	3,577,966
Additions	–	19,285	–	–	19,285
Write-off	–	(202)	–	–	(202)
Hyperinflation adjustments	(1,442)	(8,049)	(5,938)	–	(15,429)
At 31 December 2019	3,228,271	137,372	181,986	33,991	3,581,620
At 1 January 2020	**3,228,271**	**137,372**	**181,986**	**33,991**	**3,581,620**
Additions	**–**	**1,252**	**–**	**–**	**1,252**
Hyperinflation adjustments	**(1,100)**	**(11,751)**	**(23,343)**	**(2,421)**	**(38,615)**
At 30 June 2020	**3,227,171**	**126,873**	**158,643**	**31,570**	**3,544,257**
Accumulated impairment					
At 1 January 2019	1,013,545	5,009	187,924	33,991	1,240,469
Impairment	2,214,726	28,528	–	–	2,243,254
Hyperinflation adjustments	–	–	(5,938)	–	(5,938)
At 31 December 2019	3,228,271	33,537	181,986	33,991	3,477,785
At 1 January 2020	**3,228,271**	**33,537**	**181,986**	**33,991**	**3,477,785**
Impairment	**–**	**602**	**–**	**–**	**602**
Hyperinflation adjustments	**(1,100)**	**(6,666)**	**(23,343)**	**(2,421)**	**(33,530)**
At 30 June 2020	**3,227,171**	**27,473**	**158,643**	**31,570**	**3,444,857**
Net book value					
At 30 June 2020	**–**	**99,400**	**–**	**–**	**99,400**
At 31 December 2019	–	103,835	–	–	103,835

(a) The exploration rights represent the Group's 69.25% interest in the Tartagal concession and Morillo concession (collectively the "**T&M Concessions**") which are the concessions in the province of Salta in northern Argentina, through an Union of Temporary Enterprise. Exploration permits were granted for oil and developments of hydrocarbons in the T&M Concessions for an initial period of four years starting from 29 December 2006 and additional extensions up to an aggregate of nine years may be obtained. The Group submitted applications to the Secretary of Energy of Province of Salta, Argentina ("**Salta SOE**") for extensions of the exploration permits and obtained the approvals in July 2010, July 2011, December 2013, March 2016 and March 2018 respectively. Pursuant to the approval document issued in March 2018, the exploration permits were extended to 13 September 2019. If successful hydrocarbon discoveries are made, the exploration permits could be converted to exploitation permits for a term of 25 years with a possible extension of 10 years.

The Group submitted its application to the Salta SOE for a further extension of the exploration permits in May 2019, and for entering the second exploratory period in early September 2019.

However, on 17 September 2019, the Salta SOE issued resolutions rejecting both the Group's applications of one year extension and entering into the second exploratory period in the T&M Concessions ("**Resolutions**"). In late September 2019, the Group submitted its appeal to the Minister of Production in the Province of Salta in order to seek the revocation of the Resolutions. Based on the latest communication with the related authorities in the Province of Salta and a legal advice obtained from an independent Argentinian legal counsel, the Group believes there is significant uncertainty in regard to the timing and possibility of a positive appeal result in favour of the Group. The Group recognised full impairment of approximately HK$2,243,254,000 in respect of the exploration and evaluation assets related to the T&M Concessions as at 31 December 2019.

(b) As at 30 June 2020, the exploratory drilling represents the drilling activities in the Chirete concession in the province of Salta in Northern Argentina ("**Chirete Concession**"), in which the Group has a 50% participating interest under a farm-in agreement with Pampa Energia S.A..

In 2016, the Group had an oil discovery in the HLG.St.LB.x-1002 exploratory well drilled in October 2015 in the Chirete Concession and agreed with Pampa Energia S.A. that the additional cost for further drilling activities would be financed by the two participants.

In 2018, the Group drilled another exploratory well, HLG.St.LB.x-2001 in the Chirete Concession and significant oil and gas were discovered.

In 2019, the construction of the Group's permanent production facilities at HLG.St.LB.x-2001 exploratory well was completed.

The current exploratory permit in the Chirete Concession has expired since 18 November 2019. The Group and its partner, Pampa Energia S.A., submitted the request for an exploitation permit with a 25 year term to the Salta provincial authorities. At the date of issuance of this announcement, the application was still in progress and pending the final approvals of the minister of production, and the governor of the province. With the outbreak of COVID-19 in Argentina, the Group anticipates further delays caused by the temporary closure of government offices, and the emergency social isolation and travel restriction measures in place.

Due to the decline in Argentina oil demand and oil prices, and the uncertain outlook for the industry in the near term, the Group conducted a review of the carrying value of its exploration and evaluation assets. The recoverable amount of exploration and evaluation assets in respect of Chirete Concession is determined using value-in-use calculation. The calculation used cash flow projections based on financial forecasts prepared by management and covered the expected life of the oil fields for a period of 17 years. Other key assumptions used in the value-in-use calculation included discount rate and projected oil prices. Discount rate of 23% has been applied in the cash flow projections. Projected oil prices are compiled based on forecasted oil prices published by a principal agency of a governmental authority. An impairment charge of approximately HK$602,000 was recognised for the six months ended 30 June 2020. Subject to future development, the Group will consider any further charge, or reversal of impairment as deemed appropriate.

10 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2020, total additions to the cost of property, plant and equipment were approximately HK$7,510,000 (for the six months ended 30 June 2019: HK$6,363,000) which mainly comprised right-of-use assets.

11 TRADE AND OTHER RECEIVABLES

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

	At 30 June 2020	At 31 December 2019
	HK$'000	*HK$'000*
0-30 days	**–**	2,321
Over 90 days	**384**	184
Trade receivables, net of loss allowance *(note (a))*	**384**	2,505
Other debtors	**13,169**	7,790
Amount due from joint ventures	**564**	561
Financial assets measured at amortised cost	**14,117**	10,856
VAT recoverable	**7,622**	10,911
Other tax recoverable	**3,674**	4,024
Other prepayment and deposits	**10,345**	7,105
Promissory note receivable *(note c)*	**–**	–
	35,758	32,896
Reconciliation to the consolidated statement of financial position:		
Non-current	**7,622**	10,911
Current *(note (b))*	**28,136**	21,985
	35,758	32,896

Notes:

(a) Trade receivables are due within 30 days (2019: 30 days) from the date of billing.

(b) All of the current trade and other receivables are expected to be recovered or recognised as expense within one year.

(c) The promissory note was issued by Foothills Exploration Operating, Inc. ("**Foothills**") and guaranteed by Foothills Exploration, Inc., the indirect holding company of Foothills, as part of the consideration of the disposal of the Group's subsidiaries in the United States of America (the "**US**"), and was bearing no interest and repayable on 30 June 2018. The promissory note carries effective interest rate of 19.18% per annum.

On the maturity date of the promissory note, the Group did not receive any repayment in respect of the outstanding promissory note and the said event constituted a default in repayment by Foothills. The Group is in negotiation with Foothills for the repayment of the past due promissory note. Foothills' principal activities are the acquisition and development of oil and gas properties in the US. In view of the adverse financial and operating circumstances of Foothills Exploration, Inc. and its subsidiaries and the default, the Group provided full impairment on the past due balance of promissory note receivable as at 30 June 2020 and 31 December 2019.

12 OTHER FINANCIAL ASSETS

	At 30 June 2020 *HK$'000*	At 31 December 2019 *HK$'000*
Listed equity securities *(note (a))*	**43,890**	80,618
Listed debt securities *(note (b))*	**24,116**	30,528
Unlisted equity-linked securities *(note (c))*	**14,920**	8,027
Unlisted funds	**–**	927
	82,926	120,100

Notes:

(a) The listed equity securities represent listed shares on the Stock Exchange and are stated at fair value. For the six months ended 30 June 2020, net investment loss of approximately HK$34,222,000 (six months ended 30 June 2019: net investment income of HK$4,292,000) has been recognised in profit or loss.

(b) The listed debt securities represent the senior notes listed on the Singapore Exchange Securities Trading Limited and the Stock Exchange and are started at fair value. For the six months ended 30 June 2020, net investment income of approximately HK$702,000 (six months ended 30 June 2019: HK$250,000) has been recognised in profit or loss.

(c) The unlisted equity-linked securities represent securities which contain embedded derivatives, the return of which are determined with reference to the closing price of certain equity securities listed on the Stock Exchange. The unlisted equity-linked securities were designated as fair value through profit or loss at initial recognition. For the six months ended 30 June 2020, net investment income of approximately HK$552,000 (six months ended 30 June 2019: HK$181,000) has been recognised in profit or loss.

13 TRADE AND OTHER PAYABLES

As of the end of the reporting period, the ageing analysis of trade payables (which are included in trade and other payables), based on the invoice date, is as follows:

	At 30 June 2020	At 31 December 2019
	HK$'000	*HK$'000*
0-30 days	**697**	3,460
31-60 days	**433**	536
61-90 days	**494**	1,152
Over 90 days	**2,345**	1,253
Trade payables	**3,969**	6,401
Other creditors and accrued charges *(note (b))*	**64,127**	57,633
Financial liabilities measured at amortised cost	**68,096**	64,034
Receipt in advance	**21**	212
	68,117	64,246

Notes:

(a) All of the trade and other payables are expected to be settled within one year or are repayable on demand.

(b) Balance included a deposit of approximately HK$48,880,000 (2019: HK$48,880,000) received from two independent third parties which appointed a subsidiary of the Company as trustee to pursue an acquisition. The potential acquisition had been cancelled and the deposit to be returned to those third parties was classified as "other creditors and accrued charges".

14 OTHER BORROWINGS

	At 30 June 2020 HK$'000	At 31 December 2019 HK$'000
Term loans due for repayment within 1 year	**113,540**	10,544
Term loans due for repayment after 1 year:		
After 1 year but within 2 years	**38,000**	138,000
After 2 years but within 5 years	**–**	3,000
	38,000	141,000
	151,540	151,544
Reconciliation to the consolidated statement of financial position:		
Current liabilities	**113,540**	10,544
Non-current liabilities	**38,000**	141,000
	151,540	151,544

15 SHARE CAPITAL

Authorised and issued share capital

	2020 No. of shares '000	2020 HK$'000	2019 No. of shares '000	2019 HK$'000
Authorised:				
At 1 January, 30 June and 31 December Ordinary shares of HK$0.01 each	**200,000,000**	**2,000,000**	200,000,000	2,000,000
Issued and fully paid:				
At 1 January, 30 June and 31 December Ordinary shares of HK$0.01 each	**8,758,881**	**87,589**	8,758,881	87,589

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

16 MATERIAL RELATED PARTY TRANSACTIONS

The Group has a related party relationship with the following parties:

Name of party	**Relationship**
New World Tower Company Limited	The company is an associate of Chow Tai Fook (Holding) Limited, an intermediate parent of the Company.
CiF Solutions Limited	The company is an associate of Chow Tai Fook (Holding) Limited, an intermediate parent of the Company.

Save as disclosed elsewhere in the condensed consolidated interim financial statements, the Group entered into the following material related party transactions:

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors and senior management, is as follows:

	Six months ended 30 June	
	2020	2019
	HK$'000	*HK$'000*
Short-term employee benefits	**4,207**	4,646
Post-employment benefits	**9**	18
	4,216	4,664

(b) Related party transactions

Related parties	**Nature of transactions**	**Six months ended 30 June** **2020** ***HK$'000***	2019 *HK$'000*
(i) New World Tower Company Limited	Rent and management fee	**1,214**	1,151
(ii) CiF Solutions Limited	IT management and support	**66**	62

Note: The Group entered into lease contracts in respect of its office with New World Tower Company Limited. As at 30 June 2020, the aggregated balance of lease liabilities due to related party in respect of the leased office was amounting to approximately HK$7,348,000 (31 December 2019: HK$834,000).

17 COMMITMENTS

(a) Capital commitments outstanding at 30 June 2020 not provided for in the condensed consolidated interim financial statements

	At 30 June	At 31 December
	2020	2019
	HK$'000	*HK$'000*
Authorised but not contracted for	**45,726**	43,608

MANAGEMENT DISCUSSION AND ANALYSIS

GENERAL REVIEW

As the global pandemic lingers during the six months just past, the Group's financial performance was under pressure, due mainly to valuation losses from its listed securities holding and recognition of hyperinflation adjustments in Argentina. However, having divested significantly from Argentina in 2019, and with its healthy cash reserve, the Group is re-positioning itself for normality.

During the six months to 30 June 2020, the Group's main activities were that of oil & gas production in Argentina, and commodities trading. With the spread of COVID-19, global economic activity has weakened and severely dampened oil demand and prices.

Despite an attempt by the Argentina government to reinvigorate the domestic oil market by the introduction of Decree No. 488/20 on 18 May 2020, which mandated Argentina oil activity to be sustained at pre COVID-19 levels, as well as the establishment of a minimum USD45 oil price per barrel, the interventions have had negligible positive impact, as enforcement of the Decree seemingly has failed.

In June 2020, the Group expanded its commodities trading of non-ferrous metal to include physical gold trading. Historically considered to be safe-haven asset, there has been a significant increase in the demand of gold in recent times, as a result of the combined effects of COVID-19 and global political risks on market sentiments.

While in the past couple of years, the Group had contemplated but failed to materialize on a number of investment opportunities in the oil & gas sector, as well as in the renewable energy domain, the Group intends to escalate its pursuit of potential M&A targets, as a number of resource based assets appear to be available at heavy discounts, since the global onset of the COVID-19 crisis.

OIL & GAS EXPLORATION AND PRODUCTION IN ARGENTINA

Chirete Concession

The Chirete Concession covers a surface area of approximately 897 km^2 in the Province of Salta in Northern Argentina. The Chirete Concession is an oil concession in which the Group owns 50% participating interest, with Pampa Energia S.A. ("**Pampa**") being the owner of the other 50%. Being the Operator of the concession, the Group is responsible for the day to day operational activities of the field.

Operations update

During the six month period to 30 June 2020, Argentina was gripped by the COVID-19 pandemic. Following the first recorded cluster of infections in the country, nationwide emergency social isolation measures were introduced by the Argentina government on 20 March 2020, in an attempt to control the contagion.

As a consequence, Argentina's domestic oil demand and prices abruptly plummeted and continues to remain depressed, as economic activity stagnated. For the country's oil refineries and producers, there has been a suspension or slowdown in oil related activities, due to oil storage capacity in Argentina reaching its peak. For the Group, the situation is no different, where oil production at Chirete Concession was reduced from pre COVID-19 levels of 600 barrels of oil per day ("**bopd**") in January 2020, to approximately 30 bopd in June 2020.

Despite the intervention efforts by the Argentina government to reinvigorate the domestic oil market with the enactment of Decree No. 488/20 on 18 May 2020, which mandated oil activities to be sustained at pre COVID-19 levels, and the establishment of a minimum USD45 price per barrel, there has almost been zero compliance by oil refineries across the whole country.

For the Group, this certainly has been its experience with Refinería del Norte S.A ("**Refinor**"), the only major oil refinery and customer in Northern Argentina. The inability of Argentina's national and provincial authorities to effectively enforce Decree No. 488/20 to mandate the oil refineries to kick-start the market and purchase oil, has not helped the country's cause, nor the Group and other fellow oil producers.

As Refinor was only willing to pay below USD28 per barrel in contravention of Decree No. 488/20 for June 2020, the Group experienced zero sale of crude oil in that entire month. However, the Group is expecting a recovery of sales beyond July 2020, after Refinor revised and increased their purchase prices for crude oil, albeit they are still below the Decree stipulated price of USD45 per barrel.

The Group continues to search for export opportunities nearby Chirete Concession, in neighbouring Bolivia and Chile, while concurrently navigating Argentina's bureaucratic export licence application and approval procedures.

Due to the decline in Argentina oil demand and oil prices, and the uncertain outlook for the industry in the near term, the Group conducted a review of the carrying value of its Chirete asset, and consequently booked an impairment charge in the period. Subject to future development, the Group will consider any further charge, or reversal of impairment as deemed appropriate.

Exploitation permit application

The Group's exploration permit had expired on 18 November 2019, and has since been expecting the issuance of the exploitation permit by the government of the province of Salta in Argentina. The exploitation permit once granted will entitle the Group to produce hydrocarbon from the Chirete Concession for the next 25 years.

During the six months to 30 June 2020, the Group continued to liaise with the newly elected provincial authorities of Salta on the matter of the delayed issuance of the Chirete exploitation permit. Though it is not unusual under normal conditions for permits to be granted six to eight months after the expiry of existing permits, the Group anticipates further delays caused by the temporary closure of government offices, following the outbreak of COVID-19 in the country. The Group understands the exploitation permit application has been approved by the various ministries of the authorities, and was pending the final approvals of the minister of production, and the governor of Salta province. Despite the delays in granting the exploitation permit, the fact remains that the Group is producing from the concession without interference from the authorities.

Tartagal Oriental and Morillo Concessions

The Tartagal Oriental and Morillo Concessions (the "**T&M Concessions**") is located in the Province of Salta in Northern Argentina, and comprises of two oil blocks. The concessions cover a total surface area of 10,583 km^2 and have an estimated net resource of 130.0 MMBBL for the Group.

Prior to the rejection by the previous provincial authorities of Salta, to grant the Group an exploration permit extension beyond the expiry date of 13 September 2019, the Group was a 69.25% participating interest holder in the concessions and the operator of the field.

Though the law court of Salta has ruled in favour of the Group to cease any further action by the provincial authorities of Salta pertaining to the T&M Concessions until all administration processes have been exhausted, the Group in 2019 made a full impairment provision against the exploration and evaluation assets in the T&M Concessions. With the province of Salta in practical lockdown due to emergency social isolation measures, the Group does not anticipate significant progress to be made with negotiations for re-activating the T&M Concessions anytime soon.

Palmar Largo Concessions

The Group ceased oil production operations at the Palmar Largo Concessions (the "**PL Concessions**") on 30 November 2018, after the sudden and unexpected relinquishment of the Palmar Largo block at the request of the Province of Formosa, which in the opinion of the Group, may amount to illegal seizure of the Group's assets by the provincial authorities of Formosa.

While impairment provisions had been made for all the assets in PL Concessions, the Group continues to seek an immediate resolution with the new owner and operator of the concessions, and the provincial authorities of Formosa.

As it is already more than eighteen months since the Group was ordered to vacate the Palmar Largo block, the Group and UTE are becoming increasingly convinced that taking legal action, may only be the solution to physically recovering or be compensated for the properties, illegally seized by the new operator.

Oil Price

The six month period to 30 June 2020 has witnessed a significant weakening and disruption of international oil price, due to prolonged effects of the COVID-19 pandemic. Whilst there are recent signs of a recovery in oil demand and prices, the recovery is expected to be sluggish.

In an attempt to reinvigorate the domestic oil market, the Argentina government through the issuance of Decree No. 488/20 on 18 May 2020, mandated oil activities be restored at pre COVID-19 levels, and stipulated the price of oil in the country be sold not less than USD45 per barrel.

Regrettably, full compliance of the Decree by oil refineries across the country, including the only major oil refinery in Northern Argentina, has almost been zero with offer prices being as low as in the USD mid-20s per barrel. As mentioned previously, the Group had recorded substantially lower sale of crude oil since the outbreak of COVID-19 in Argentina in March 2020 and zero sale in June 2020. The July and August 2020 sales have witnessed a mild recovery.

In the meantime, the Group endeavours to seek for new customers and export opportunities, in an effort to reduce its reliance on Refinor, and to secure fairer and legal market price. It also continues evaluating the possibility of seeking collaboration with the Government in the enforcement of the decree.

Devaluation of Argentine Pesos and Hyperinflation

During the six month to 30 June 2020, the Argentine Pesos ("**ARS**") further devalued from a rate of ARS59.8 per USD at the beginning of the year, to ARS70.3 per USD by 30 June 2020. This equated to 17.5% decline. The re-introduction of capital controls by the Argentina government in September 2019 had only provided temporary respite before the further devaluation of the currency since February this year.

In regards to the Argentina economy, the country continues with its struggle to contain the spiraling hyperinflation. As at June 2020, the annualized inflation rate was 41.3%, compared to 54% at end of previous year.

With the substantial depreciation of the Argentine Pesos and hyperinflation, further compounded by the negative effects of COVID-19, Argentina is an increasingly challenging business environment to operate in.

COMMODITIES TRADING

On 1 June 2020, the Group expanded its commodities trading of non-ferrous metals to include physical gold trading. With the COVID-19 pandemic prompting governments around the world to implement emergency social isolation measures and travel restrictions, the Group expanded its existing business opportunities of commodity trading. As a result of growing global tensions, the Group considered this was an opportune time to enter the physical gold trading business, due to the increased volume of transactions and market price of this safe-haven asset in recent months.

The Group's physical gold trades are conducted via an established and reputable intermediary, with a long established history and presence. To ensure the Group is not financially exposed to the fluctuations of gold prices, all physical gold trades, and physical gold inventories held by the Group are hedged with financial hedging instruments.

FUTURE PROSPECTS AND DEVELOPMENTS

The objective of the Group is to maximise profitability and increase cash flows for the purpose of funding its exploration and development activities, whilst at the same time ensuring its obligations for health, safety and the environment (HSE) are uncompromised.

With the uncertainty and turmoil created by the COVID-19 pandemic, the Group's oil and gas drilling plans in Argentina will be deferred until conditions and the outlook of the industry improves.

During these challenging economic conditions in Argentina and globally, the Group will continue leverage opportunities to exploit its significant cash reserves to actively seek and evaluate possible investment opportunities in the energy sector. While the Group's principal business is that of oil and gas exploration and production, the Group is also interested in diversifying into the energy trading and renewable energy sectors.

During a period when the Group is witnessing discounted prices of businesses for sale, the Group is intensifying its efforts to capture such investment opportunities, in the hope that it can benefit from these newly adjusted market sentiments.

FINANCIAL REVIEW

The Group's revenue for the six months ended 30 June 2020 was approximately HK$298.00 million, which represents an increase of approximately 46.24% as compared to approximately HK$203.78 million for the corresponding period in 2019. The revenue derived from commodities trading for the six months ended 30 June 2020 was approximately HK$286.41 million. This represents an increase of approximately 54.84% as compared to the HK$184.97 million revenue generated for the corresponding period in 2019. Additionally, revenue derived from the sale of oil products under the Group's oil exploration and production business for the six months ended 30 June 2020 was approximately HK$11.59 million. This represents a decrease of approximately 38.35% as compared to the HK$18.80 million revenue generated for the corresponding period in 2019. The Group reported a gross profit of approximately HK$9.87 million (2019: HK$12.88 million) for the six months ended 30 June 2020.

General and administrative expenses of the Group for the six months ended 30 June 2020 was approximately HK$19.21 million, which represents a decrease of approximately 34.82% as compared to approximately HK$29.47 million for the corresponding period in 2019.

For the six months ended 30 June 2020, the Group recognised impairment loss on exploration and evaluation assets in respect of Chirete concession amounting to approximately HK$602,000; whilst there was no such impairment loss for the corresponding period in 2019.

The Group recognised a net investment loss in respect of financial instruments of approximately HK$32.97 million for the six months ended 30 June 2020; whilst it was a net investment income of approximately HK$4.72 million for the corresponding period in 2019.

Finance costs of the Group for the six months ended 30 June 2020 was approximately HK$5.59 million, which represents a decrease of approximately 28.61% as compared to approximately HK$7.83 million for the corresponding period in 2019.

Share of losses of joint ventures of the Group for the six months ended 30 June 2020 were approximately HK$1.40 million, which represents a decrease of approximately 56.39% as compared to approximately HK$3.21 million for the corresponding period in 2019.

Income tax credit of the Group for the six months ended 30 June 2020 was approximately HK$1.35 million; whilst it was an income tax charge of approximately HK$9.66 million for the corresponding period in 2019.

For the six months ended 30 June 2020, the Group recorded a loss for the period of approximately HK$51.99 million (2019: HK$10.30 million).

Basic loss per share for the six months ended 30 June 2020 was approximately HK0.59 cent (2019: HK0.12 cent).

The board of directors of the Company does not recommend the payment of any interim dividend for the six months ended 30 June 2020 (2019: Nil).

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

In respect of the aggregate net proceeds of approximately HK$557.23 million ("**2016 Subscription Shares Proceeds**") raised from the subscription of shares in July 2016 and November 2016, amongst which approximately HK$357.16 million had been used up to 31 December 2019 towards its intended use as stated in the circular of the Company dated 28 June 2016, and the announcements of the Company dated 28 October 2016 and 27 August 2018. The Company announced a change on its intended use of the unused balances of the 2016 Subscription Shares Proceeds and the Open Offer Proceeds (as defined below) and details of the change were set out in the announcement of the Company dated 26 March 2020. As at 31 December 2019, the unused balance of the 2016 Subscription Shares Proceeds was approximately HK$200.07 million. The actual use of the 2016 Subscription Shares Proceeds during the six months ended 30 June 2020 was, as to approximately HK$0.18 million, for Argentina operational purposes as intended, and as to approximately HK$8.17 million, for general administrative purposes including the repayment of interest and payment of overhead as intended. As at 30 June 2020, the unused balance of the 2016 Subscription Shares Proceeds was approximately HK$191.72 million.

In respect of the net proceeds of approximately HK$736.40 million ("**Open Offer Proceeds**") raised from the open offer in April 2017, amongst which approximately HK$177.11 million had been used up to 31 December 2019 towards its intended use as stated in the circular of the Company dated 28 February 2017, the offering memorandum of the Company dated 27 March 2017, and the announcement of the Company dated 27 August 2018. The Company announced a change on its intended use of the unused balances of the 2016 Subscription Shares Proceeds and the Open Offer Proceeds and details of the change were set out in the announcements of the Company dated 26 March 2020 and 29 April 2020. As at 31 December 2019, the unused balance of the Open Offer Proceeds was approximately HK$559.29 million. The actual use of the Open Offer Proceeds during the six months ended 30 June 2020 was, as to approximately HK$123.74 million, for expansion of metal commodities trading as intended. As at 30 June 2020, the unused balance of the Open Offer Proceeds was approximately HK$435.55 million.

The following table summarises the use of net proceeds for the 2016 Subscription Shares Proceeds and Open Offer Proceeds during the six months ended 30 June 2020.

Intended use	**Unused amount of net proceeds as at 31 December 2019** *HK$ million*	**Change in use of proceeds on 26 March 2020** *HK$ million (note 5)*	**Change in use of proceeds on 29 April 2020** *HK$ million (note 5)*	**Actual use of net proceeds during the six months ended 30 June 2020** *HK$ million*	**Unused amount of net proceeds as at 30 June 2020** *HK$ million*
2016 Subscription Shares Proceeds:					
Argentina operational purposes	200.07	(179.36)	–	(0.18)	20.53 *(note 1)*
Investment in oil and gas, power generation, and renewable energy	–	79.36	–	–	79.36 *(note 2)*
Investment in short to medium term financial instruments, and general administrative purposes	–	100.00	–	(8.17)	91.83 *(note 3)*
Total	200.07	–	–	(8.35)	191.72
Open Offer Proceeds:					
Argentina operational purposes	59.29	–	–	–	59.29 *(note 1)*
Investment for oil and gas portfolio	500.00	(500.00)	–	–	–
Investment in oil and gas, power generation, and renewable energy	–	500.00	(350.00)	–	150.00 *(note 2)*
Expansion of metal commodities trading	–	–	350.00	(123.74)	226.26 *(note 4)*
Total	559.29	–	–	(123.74)	435.55

Notes:

1. The expected timeline in relation to the use of the unused amount of net proceeds as at 30 June 2020 will depend on the Group's business, and oil and gas investment plans in Argentina, which are discussed in the sections headed "Oil & Gas Exploration and Production in Argentina" and "Future Prospects and Developments" under Management Discussion and Analysis to this announcement.

2. The expected timeline in relation to the use of the unused amount of net proceeds as at 30 June 2020 will depend on the availability and timing of suitable opportunities.

3. The unused amount of net proceeds as at 30 June 2020 is expected to be utilised on or before the year ending 31 December 2021.

4. The unused amount of net proceeds as at 30 June 2020 is expected to be utilised on or before the year ending 31 December 2023.

5. Details of the change in use of proceeds are set out in the announcements of the Company dated 26 March 2020 and 29 April 2020 respectively.

The Group maintained a treasury policy (as reviewed or modified from time to time when deemed necessary) for the investment of surplus cash. Surplus cash is mainly maintained in the form of term deposits with the licensed banks. The management of the Group closely monitors the Group's liquidity position to ensure that the Group has sufficient financial resources to meet its funding requirements from time to time.

The Group entered into certain derivative financial instruments for economic hedging purposes in order to mitigate the financial impact of gold price fluctuations in gold inventories purchased or held by the Group. The use of these derivative financial instruments is closely monitored and controlled by the Group.

As at 30 June 2020, the Group's net current assets amounted to approximately HK$693.63 million (31 December 2019: HK$842.50 million) and the Group had cash and cash equivalents of approximately HK$655.98 million (31 December 2019: HK$771.66 million).

Cash and cash equivalents of the Group as at 30 June 2020 were mainly denominated in Hong Kong Dollar, United States Dollar and Argentine Peso.

As at 30 June 2020, total equity of the Group was approximately HK$782.83 million (31 December 2019: HK$846.46 million). Net asset value per share equated to approximately HK$0.09 (31 December 2019: HK$0.10). Debt ratio, calculated as total liabilities divided by total assets, was approximately 25.37% (31 December 2019: 22.72%).

The Group financed its operations generally from a combination of working capital, borrowings and proceeds from the issuance of new shares of the Company.

Borrowings

As at 30 June 2020, the carrying amount of other borrowings of the Group denominated in Hong Kong Dollar was approximately HK$151.54 million (31 December 2019: HK$151.54 million), which represents unsecured debt securities in issue and carries interest at fixed rates. Details of the maturity of the carrying amount of the Group's other borrowings are set out in note 14 to this announcement.

Gearing Ratio

As at 30 June 2020, gearing ratio, calculated on the basis of interest bearing borrowings divided by total equity, was approximately 19.36% (31 December 2019: 17.90%).

Charge on Assets

As at 30 June 2020, the Group did not have any charge on its assets (31 December 2019: Nil).

Contingent Liabilities

As at 30 June 2020, the Group did not have any material contingent liabilities (31 December 2019: Nil).

Capital Commitments

Details of the capital commitments of the Group as at 30 June 2020 are set out in note 17 to this announcement.

Foreign Exchange Exposure

Assets and liabilities of the Group are mainly denominated in Hong Kong Dollar, United States Dollar and Argentine Peso. Most of these assets and liabilities are in the functional currency of the operations to which the transactions relate. The currencies giving rise to foreign exchange risk is primarily those from the Group's exploration and production activities in Argentina and investments in foreign companies. The Group currently does not have a foreign currency hedging policy. However, the management of the Group will monitor the foreign exchange exposures on an on-going basis and will consider hedging instruments should the need arise.

Employees

As at 30 Jun 2020, the Group employed a total of 36 (31 December 2019: 38) full-time employees in Hong Kong and Argentina. The staff costs for the six months ended 30 June 2020 amounted to approximately HK$8.89 million (2019: HK$11.64 million). The Group provides its employees with competitive remuneration packages which were commensurate to 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

The Group did not have material acquisitions or disposals of subsidiary, associated company and joint venture, which would have been required to be disclosed under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited during the period under review.

Significant Investments

As at 30 June 2020, the Group held other investment in equity securities and other financial assets amounting to approximately HK$10.60 million and HK$82.93 million respectively.

(i) Other investment in equity securities

As at 30 June 2020, the Group's other investment in equity securities mainly comprised of unlisted equity investments in Borealis Alaska Oil, Inc. ("**Borealis**") (formerly known as NordAq Energy Inc.) amounting to approximately HK$10.59 million and Foothills Exploration Inc. ("**Foothills Exploration**"). The carrying value for each of these unlisted equity investments is less than 5% of the total assets of the Group.

Borealis is an oil and gas company based in Anchorage, Alaska and is mainly engaged in exploration, appraisal and development of hydrocarbon reserves in the State of Alaska, the United States of America. For the six months ended 30 June 2020, the Group recognised a loss of approximately HK$5.33 million on the change in fair value of the equity investment in Borealis in the consolidated statement of other comprehensive income.

Foothills Exploration is an oil and gas exploration and production company engaged in the acquisition and development of oil and natural gas properties in the United States of America. For the six months ended 30 June 2020, the Group recognised a loss of approximately HK$0.14 million on the change in fair value of the equity investment in Foothills Exploration in the consolidated statement of other comprehensive income.

(ii) Other financial assets

As at 30 June 2020, the Group's other financial assets comprised of listed equity securities, unlisted equity-linked securities and listed debt securities amounting to approximately HK$43.89 million, HK$14.92 million and HK$24.12 million respectively.

As at 30 June 2020, details of the listed equity securities are set out below:

Name of company	**Principal business**	**Fair value at 30 June 2020** *HK$ million*	**Net investment loss for the six months ended 30 June 2020** *HK$ million*
Beijing Gas Blue Sky Holdings Limited (Stock Code: 6828)	Sales and distribution of natural gas and other related products	40.41	(33.62) *(Note (i))*
NWS Holdings Limited (Stock Code: 659)	Development of, investment in and/or operation of roads, commercial aircraft leasing, construction and insurance; and investment in and/or operation of environmental and logistic projects, facilities and transport	3.48	(1.52) *(Note (i))*
Total		43.89	(35.14)

Note:

(i) Balance represented a loss arising from the change in fair value for the six months ended 30 June 2020.

The carrying value for each of the above listed equity securities is less than 5% of the total assets of the Group.

As at 30 June 2020, the Group held two investments of unlisted equity-linked securities, the return of which are determined with reference to the closing prices of certain equity securities listed on The Stock Exchange of Hong Kong Limited. The carrying value for each of these two investments is less than 5% of the total assets of the Group. For the six months ended 30 June 2020, the Group recognised a net investment income of approximately HK$0.55 million, which comprised interest income of approximately HK$0.66 million and a loss arising from the change in fair value of approximately HK$0.11 million, on the unlisted equity-linked securities in the consolidated statement of profit or loss.

At as 30 June 2020, the Group held four investments of debt securities listed in Hong Kong or overseas. The carrying value for each of these four investments is less than 5% of the total assets of the Group. For the six months ended 30 June 2020, the Group recognised a net investment income of approximately HK$0.70 million, which comprised interest income of approximately HK$0.91 million and a loss arising from the change in fair value of approximately HK$0.21 million, on the listed debt securities in the consolidated statement of profit or loss.

UPDATE ON DIRECTORS' INFORMATION

Below are the changes of directors' information subsequent to the date of the Company's last published annual report required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules:

– On 19 June 2020, Mr. Huang, Victor was appointed as an Independent non-executive Director of the Company. He entered into a letter of appointment with the Company for a term of three years and subject to retirement and re-election pursuant to the bye-laws of the Company. On 28 August, 2020, Mr. Huang was appointed as a member of the Audit Committee, Nomination Committee and Remuneration Committee respectively.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Corporate Governance Code

The Group strives to attain and maintain high standards of corporate governance best suited to the needs of its businesses and the best interests of its stakeholders as the Board believes that effective governance is essential to the maintenance of the Group's competitiveness and to its healthy growth. The Company has adopted and applied the principles of the code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 of the Listing Rules. The Company periodically reviews its corporate governance practices to ensure its continuous compliance with the CG Code. In the opinion of the Directors, the Company was in compliance with the applicable code provisions of the CG Code for the six months ended 30 June 2020 and, where appropriate, the applicable recommended best practices of the CG Code, save and except for the following deviation:

Code Provision C.1.2

Under code provision C.1.2 of the CG Code, management should provide all members of the board with monthly updates giving a balanced and understandable assessment of the Company's performance, position and prospects in sufficient detail to enable the Board as a whole and each Director to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules. During the period under review, the management of the Company did not provide monthly updates to all members of the Board as required by the code provision C.1.2 of the CG Code, as all the executive Directors were involved in the daily operations of the Group and were fully aware of the performance, position and prospects of the Company, and the management of the Company had provided to all Directors (including, non-executive Director and independent non-executive Directors) quarterly updates giving a balanced and understandable assessment of the Company's performance, position and prospects in sufficient details prior to the regular board meetings. In addition, the management of the Company had provided all members of the Board, in a timely manner, updates on any material changes to the performance, position and prospects of the Company and sufficient background or explanatory information for matters brought before the Board.

MODEL CODE FOR DIRECTOR'S SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules. Specific enquiry has been made to all the Directors and the Directors have confirmed that they have complied with the Model Code throughout the six months ended 30 June 2020.

REVIEW OF UNAUDITED INTERIM RESULTS

The interim results of the Group and the interim report of the Company for the six months ended 30 June 2020 were unaudited, but have been reviewed by the audit committee of the Company. The Audit Committee is of the view that the interim report has been prepared in compliance with the applicable accounting standards, the Listing Rules and other applicable legal requirements and that adequate disclosure has been made.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

During the period under review, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's securities listed on the Stock Exchange.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

As far as the Board and management are aware, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the period under review, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2020 (2019: Nil).

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the websites of the Company (www.nt-energy.com) and The Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk). The interim report of the Company for the six months ended 30 June 2020 containing all the information required by the Listing Rules shall be dispatched to the shareholders of the Company and made available on the aforementioned websites in due course.

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

Hong Kong, 28 August 2020

At the date of this announcement, the Board comprises:

Executive Directors:
Mr. CHENG, Kam Chiu Stewart *(Chairman)*
Mr. TANG, John Wing Yan *(Chief Executive Officer)*

Non-executive Director:
Mr. LEE, Chi Hin Jacob

Independent Non-executive Directors:
Mr. YUNG, Chun Fai Dickie
Mr. CHIU, Wai On
Mr. HUANG, Victor