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

(Incorporated in Bermuda with limited liability)

(Stock Code: 00166)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2021 AND CHANGE IN USE OF PROCEEDS

FINANCIAL HIGHLIGHTS

	Year ended 31 December 2021	Year ended 31 December 2020
Revenue *(HK$'000)*	**11,167,076**	5,034,518
Profit/(loss) before taxation *(HK$'000)*	**343,636**	(64,558)
Profit/(loss) for the year *(HK$'000)*	**329,403**	(79,494)
Earnings/(loss) per share – Basic *(HK cent)*	**3.76**	(0.91)

The Board does not recommend the payment of any final dividend for the year ended 31 December 2021.

* *For identification purposes only*

The board of directors (the "**Board**") of New Times Energy Corporation Limited (the "**Company**") announces the consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2021, together with the comparative figures for the year ended 31 December 2020.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2021

	Note	**2021** *HK$'000*	2020 *HK$'000*
Revenue	*3*	**11,167,076**	5,034,518
Cost of sales	*5*	**(11,076,418)**	(5,011,019)
Gross profit		**90,658**	23,499
Other income, gains and losses, net	*4*	**10,045**	5,226
Gain on bargain purchase	*17*	**407,655**	–
General and administrative expenses	*5*	**(109,849)**	(39,644)
Assets impairment losses		**–**	(5,823)
Net investment loss	*6*	**(40,941)**	(29,623)
Finance costs	*7*	**(13,927)**	(11,115)
Share of losses of joint ventures		**(5)**	(7,078)
Profit/(loss) before taxation		**343,636**	(64,558)
Income tax expense	*8*	**(14,233)**	(14,936)
Profit/(loss) for the year		**329,403**	(79,494)
Profit/(loss) attributable to:			
Owners of the Company		**329,401**	(79,483)
Non-controlling interests		**2**	(11)
Profit/(loss) for the year		**329,403**	(79,494)
Earnings/(loss) per share for profit/(loss) attributable to owners of the Company for the year	*10*		
Basic (HK cent)		**3.76**	(0.91)
Diluted (HK cent)		**3.76**	(0.91)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

	2021	2020
	HK$'000	*HK$'000*
Profit/(loss) for the year	**329,403**	(79,494)
Other comprehensive income/(loss) for the year:		
Item that will not be reclassified to profit or loss:		
Change in fair value of financial assets at fair value through other comprehensive income	**2**	(16,060)
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	**(33,728)**	(21,053)
Other comprehensive loss for the year, net of tax	**(33,726)**	(37,113)
Total comprehensive income/(loss) for the year	**295,677**	(116,607)
Total comprehensive income/(loss) attributable to:		
Owners of the Company	**295,675**	(116,596)
Non-controlling interests	**2**	(11)
	295,677	(116,607)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2021

	Note	2021 HK$'000	2020 HK$'000
Non-current assets			
Exploration and evaluation assets		**–**	63,128
Property, plant and equipment		**845,610**	62,150
Investments in joint ventures		**936**	941
Financial assets at fair value through other comprehensive income		**10**	8
Prepayments, deposits and other receivables	*11*	**6,220**	4,316
		852,776	130,543
Current assets			
Inventories		**44,196**	28,800
Trade and other receivables	*11*	**196,617**	76,833
Current tax recoverable		**196**	1,398
Financial assets at fair value through profit or loss	*12*	**81,528**	74,090
Gold investment	*13*	**66,082**	68,589
Cash and cash equivalents		**494,955**	640,915
		883,574	890,625
Current liabilities			
Trade and other payables	*14*	**122,538**	70,478
Borrowings		**–**	143,067
Lease liabilities		**7,479**	3,162
Derivative financial instruments		**2,354**	2,925
Provisions		**66,019**	20,117
Income tax payable		**1,040**	1,040
		199,430	240,789
Net current assets		**684,144**	649,836
Total assets less current liabilities		**1,536,920**	780,379

	Note	**2021**	2020
		HK$'000	*HK$'000*
Non-current liabilities			
Borrowings		**–**	3,000
Lease liabilities		**23,505**	3,503
Deferred tax liabilities		**46,221**	14,920
Provisions		**365,713**	–
		435,439	21,423
Net assets		**1,101,481**	758,956
Equity			
Equity attributable to owners of the Company			
Share capital	*15*	**87,589**	87,589
Reserves		**1,013,941**	671,418
		1,101,530	759,007
Non-controlling interests		**(49)**	(51)
Total equity		**1,101,481**	758,956

Notes

1. GENERAL INFORMATION

The Company is a limited liability company incorporated in Bermuda as an exempted company 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**"). The Company is an investment holding company. The principal activities of the Company's subsidiaries are exploration, development, production and sale of natural resources; and general and commodities refinery and trading.

The consolidated financial statements are presented in Hong Kong dollars, unless otherwise stated.

The annual results set out in this announcement do not constitute the Group's consolidated financial statements for the year ended 31 December 2021 but are extracted from those financial statements.

2. BASIS OF PREPARATION

These consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange ("**Listing Rules**"). The consolidated financial statements have been prepared under the historical cost convention except for the following:

- financial assets at fair value through other comprehensive income ("**FVOCI**"), financial assets and liabilities at fair value through profit or loss ("**FVPL**") (including derivative financial instruments) measured at fair value,
- gold investment measured at fair value; and
- adjustments for the effect of inflation where entities operate in a hyperinflationary economy.

The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

(a) Amendments to standards adopted by the Group

The Group has applied the following amendments to standards for the first time for their annual reporting period commencing 1 January 2021:

HKFRS 16 (Amendments)	COVID-19 Related Rent Concessions
HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16 (Amendments)	Interest Rate Benchmark Reform – Phase 2

The adoption of the above amendments to standards did not result in any impact on the results and financial position of the Group.

(b) New standard, amendments to standards, interpretation, and accounting guideline that are not yet effective and have not been early adopted by the Group

The following new standard, amendments to existing standards, interpretation, and accounting guidelines have been issued but are not yet effective for the financial year beginning or after 1 January 2021 and have not been early adopted:

		Effective for annual periods beginning on or after
HKFRS 16 (Amendments)	COVID-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Annual Improvements to HKFRSs 2018 – 2020	Annual Improvements to HKFRSs 2018 – 2020	1 January 2022
Amendments to HKFRS 3, HKAS 16, and HKAS 37	Narrow-scope Amendments	1 January 2022
Hong Kong Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combinations	1 January 2022
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current	1 January 2023
HKAS 1 (Revised) (Amendments)	Disclosure of Accounting Policies	1 January 2023
HKFRS Practice Statement 2 (Amendment)	Making Materiality Judgements	1 January 2023
HKAS 8 (Amendments)	Accounting Policies, Change in Accounting Estimates and Errors	1 January 2023
HKAS 12 (Amendments)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
HKFRS 17	Insurance Contracts	1 January 2023
HK (IFRIC) – Int 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2023
HKFRS 4 (Amendments)	Expiry Date of the Deferral Approach	1 January 2023
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA

The Group will adopt the above new standards, amendments to existing standards, interpretation and accounting guidelines when they become effective. The Group has already commenced an assessment of the related impact of adopting the above new standards, amendments to existing standards, interpretation and accounting guideline, none of which is expected to have a significant effect on consolidated financial statement of the Group.

3. REVENUE AND SEGMENT REPORTING

The principal activities of the Group are (i) exploration, development, production and sale of natural resources in Canada and Argentina; and (ii) general and commodities refinery and trading in Hong Kong and the Mainland China. Further details regarding the Group's principal activities are disclosed in Note 3(b).

(a) Disaggregation of revenue

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

	2021	2020
	HK$'000	*HK$'000*
Revenue from contracts with customers within the scope of HKRFS 15		
– Refinery and sales of physical precious metals under general and commodities trading	**10,824,703**	4,975,370
– Sales of petroleum-related products under general and commodities trading	**82,740**	33,559
– Sales of oil and gas products under oil and gas exploration and production	**259,633**	25,589
	11,167,076	5,034,518

Revenue from major customers who have individually contributed 10% or more of the total revenue of the Group the year ended 31 December 2021 are disclosed as follows:

	2021	2020
	HK$'000	*HK$'000*
Customer 1	**3,091,846**	3,399,716
Customer 2	**2,550,295**	818,606

The above customers are included in general and commodities refinery and trading segment.

(b) Segment reporting

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. The chief operating decision-maker is identified as the executive directors of the Company. The executive directors assess the performance of the operating segments based on the segment assets, segment liabilities, segment revenue and segment results for the purposes of allocating resources and assessing performance.

During the year ended 31 December 2020, the Group expanded its commodities refinery and trading of non-ferrous metal to include physical gold. The trading of petroleum-related products in the Mainland China is not a reportable operating segment, as it did not meet the quantitative threshold accordance with HKFRS 8. The results of the general trading have been aggregated into one segment with commodities refinery and trading as they have similar nature of business and similar average gross margins.

During the year ended 31 December 2021, the Group further expanded its commodities trading to other precious metals including physical silver and platinum trading.

Management has identified two reportable segments based on the Group's business model:

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

b. General and commodities refinery and trading: This segment includes refinery and trading of non-ferrous metals and petroleum-related products.

Segment assets include all the assets with the exception of investments in joint ventures, financial assets at fair value through other comprehensive income and unallocated corporate assets. Segment liabilities include all the liabilities with the exception of deferred tax liabilities and unallocated corporate liabilities.

Segment profit/loss represents the profit/loss resulted by each segment without allocation of assets impairment loss, share of losses of joint ventures, net investment loss, unallocated interest income and expense and other expenses in corporate head office. This is the measure reported to the Group's chief executive decision-maker for the purposes of resource allocation and performance assessment.

Capital expenditure comprises addition to exploration and evaluation assets and property, plant and equipment.

(i) Information regarding the Group's reportable segments as provided to the Group's chief executive decision maker for the purposes of resource allocation and performance assessment for the year is set out below:

	Upstream		General and Commodity refinery and trading		Total	
	2021	2020	**2021**	2020	**2021**	2020
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Reportable segment revenue *(Note)*	**259,633**	25,589	**10,907,443**	5,008,929	**11,167,076**	5,034,518
Reportable segment result	**44,499**	(2,534)	**2,859**	5,662	**47,358**	3,128
Depreciation	**29,323**	6,547	**272**	49	**29,595**	6,596
Fair value (loss)/gain on gold investment	**–**	–	**(2,507)**	6,119	**(2,507)**	6,119
Gains/(losses) on derivative financial instruments	**2,566**	–	**7,725**	(9,489)	**10,291**	(9,489)
Interest income	**2,595**	798	**38**	1	**2,633**	799
Interest expense	**9,006**	–	**250**	11	**9,256**	11
Addition to non-current segment assets	**5,983**	1,187	**7,485**	507	**13,468**	1,694
At 31 December 2021 and 2020						
Reportable segment assets	**1,216,226**	162,324	**336,425**	278,984	**1,552,651**	441,308
Reportable segment liabilities	**(510,321)**	(28,063)	**(18,527)**	(22,109)	**(528,848)**	(50,172)

Note:

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

(ii) Reconciliations of reportable segment revenues, loss before taxation, assets and liabilities:

	2021	2020
	HK$'000	*HK$'000*
Revenue		
Reportable segment revenue	**11,167,076**	5,034,518
Result		
Reportable segment result	**47,358**	3,128
Unallocated interest income	**750**	6,196
Unallocated interest expenses	**(4,671)**	(11,104)
Assets impairment losses	**–**	(5,823)
Gain on bargain purchase	**407,655**	–
Other expenses in corporate head office	**(65,170)**	(20,254)
Share of losses of joint ventures	**(5)**	(7,078)
Net investment loss	**(42,281)**	(29,623)
Profit/(loss) before taxation	**343,636**	(64,558)

	2021	2020
	HK$'000	*HK$'000*
Assets		
Reportable segment assets	**1,552,651**	441,308
Investments in joint ventures	**936**	941
Financial assets at FVOCI	**10**	8
Unallocated corporate assets		
– Cash and cash equivalents	**148,629**	502,858
– Financial assets at FVPL	**31,051**	74,090
– Other receivables	**3,021**	1,354
– Others	**52**	609
Consolidated total assets	**1,736,350**	1,021,168
Liabilities		
Reportable segment liabilities	**(528,848)**	(50,172)
Deferred tax liabilities	**(46,221)**	(14,920)
Unallocated corporate liabilities		
– Unallocated borrowings	**–**	(141,316)
– Deposit received	**(44,994)**	(44,994)
– Unallocated lease liabilities	**(3,601)**	(6,187)
– Others	**(11,205)**	(4,623)
Consolidated total liabilities	**(634,869)**	(262,212)

(iii) ***Geographical information***

The Company is domiciled in Bermuda while the Group operates its business primarily in Hong Kong, the Mainland China, Argentina Canada and Singapore.

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's non-current assets other than financial assets at FVOCI ("**specified non-current assets**"). The geographical location of the Group's revenue is based on the locations of customers. The geographical location of the specified non-current assets is based on (i) the physical location of the asset, in the case of property, plant and equipment and exploration and evaluation assets; and (ii) the location of the operation to which they are allocated, in the case of prepayments, deposits and other receivables. In the case of investments in joint ventures, it is based on the location of the operation of such joint ventures.

	Revenue from external Customers		**Specified Non-current assets**	
	2021	2020	**2021**	2020
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**10,136,124**	4,771,343	**13,807**	1,682
Singapore	**688,579**	168,809	**–**	–
Canada	**212,665**	–	**718,292**	–
Mainland China	**82,740**	33,559	**233**	483
Argentina	**46,968**	25,589	**120,434**	128,370
United Arab Emirates	**–**	35,218	**–**	–
	11,167,076	5,034,518	**852,766**	130,535

4. OTHER INCOME, GAINS AND LOSSES, NET

	2021	2020
	HK$'000	*HK$'000*
Bank interest income	**3,383**	6,995
Drilling and other services income	**1,289**	978
Gains/(losses) on derivative financial instruments	**10,291**	(9,489)
Fair value (losses)/gains on gold investment	**(2,507)**	6,119
Hyperinflation monetary adjustment *(Note)*	**5,870**	7,659
Net foreign exchange losses	**(8,236)**	(7,622)
Others	**(45)**	586
	10,045	5,226

Note:

In May 2018, the Argentine peso underwent a severe devaluation resulting in the three-year cumulative inflation of Argentina to exceed 100%, thereby triggering the requirement to transition to hyperinflation accounting as prescribed by HKAS 29, "Financial Reporting in Hyperinflationary Economies", for the activities of the Argentine subsidiaries and branches from 1 January 2018 onwards.

Under HKAS 29, the non-monetary assets and liabilities stated at historical cost, the equity and the statement of profit or loss of subsidiaries and branches operating in hyperinflationary economies are restated for changes in the general purchasing power of the local currency applying a general price index, and monetary items that are already stated at the measuring unit at the end of the reporting period are not restated.

To measure the impact of inflation on the Group's financial position and results, the Group has elected to use the Wholesale Price Index (Indice de Precios Mayoristas) for periods up to 31 December 2016, and the Retail Price Index (Indice de Precios al Consumidor) thereafter. These price indices have been recommended by the Government Board of the Argentine Federation of Professional Councils of Economic Sciences.

Current year hyperinflation monetary adjustment for the change in price index amounting to approximately HK$5,870,000 (2020: HK$7,659,000) was recognised in the consolidated statement of profit or loss.

5. EXPENSES BY NATURE

Profit/(loss) before taxation has been arrived after charging the following items:

	2021	2020
	HK$'000	*HK$'000*
Cost of inventories recognised as expense	**11,036,303**	5,000,333
Depreciation of property, plant and equipment	**35,394**	6,568
Depreciation of right-of-use assets	**2,164**	2,419
Employee benefit expense (including directors' remuneration)	**30,985**	16,379
Processing charges	**10,472**	7,823
Auditor's remuneration		
– Audit services	**1,900**	1,880
– Non-audit service	**2,470**	20
Legal, professional and transaction-related expenses	**48,157**	3,794
Others	**18,422**	11,447
Total cost of sales and general and administrative expenses	**11,186,267**	5,050,663

6. NET INVESTMENT LOSS

	2021 HK$'000	2020 HK$'000
Net losses in listed equity investments	**35,675**	32,906
Net losses/(gains) in listed and unlisted debt securities	**5,904**	(1,599)
Others	**(638)**	(1,684)
	40,941	29,623

7. FINANCE COSTS

	2021 HK$'000	2020 HK$'000
Interest on borrowings	**4,462**	10,888
Interest on lease liabilities	**675**	227
Imputed interest on provisions	**8,790**	–
	13,927	11,115

8. INCOME TAX

	2021 HK$'000	2020 HK$'000
Current tax		
Provision for the year	**11**	1,040
Deferred tax		
Charged to profit or loss	**14,222**	13,896
	14,233	14,936

Pursuant to the rules and regulations of Bermuda and the British Virgin Islands ("BVI"), the Company and its subsidiaries incorporated in Bermuda and the BVI are not subject to any income tax in Bermuda and the BVI for both the current and prior years.

Hong Kong profits tax has been provided for at the rate of 16.5% for the year ended 31 December 2021 (2020: 16.5%) on the estimated assessable profit for the years. No provision for Hong Kong profits tax has been made for the year ended 31 December 2021 as the Group's operations in Hong Kong had no assessable profits (2020: Nil).

Subsidiaries of the Group in Argentina are subject to Argentina corporate income tax ("AIT") at 35% (2020: 30%) and minimum presumed income tax ("MPIT"). MPIT is supplementary to AIT and is chargeable at the applicable tax rate of 35% on the tax basis of certain assets. The tax liabilities of subsidiaries of the Group in Argentina are the higher of AIT and MPIT.

Subsidiaries of the Group in Canada are subject to Canadian corporate income tax ("CCIT") at 38% together with the provincial abatement of 10% and general rate reduction or manufacturing and processing deduction of 13%, the net federal tax rate is 15%. With the provincial and territorial CCITs range from 8% (Alberta) to 12% (British Columbia), the aggregate tax rate ranged from 23% to 27%.

Subsidiaries of the Group in the Mainland China are subject to Corporate Income Tax ("CIT") in accordance with the Law of the People's Republic of China ("PRC") on Corporate Income Tax (the "CIT Law"). Under the CIT Law, the income tax rate applicable to these subsidiaries is 25% (2020: 25%). One of the subsidiaries is entitled to tax concession and tax relief whereby the profit of this subsidiary is taxed at a preferential income tax rate of 2.5% (2020: Nil).

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

9. DIVIDENDS

The Board does not recommend the payment of any final dividend for the year ended 31 December 2021 (2020: Nil).

10. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings per share is based on the Group's profit/(loss) attributable to owners of the Company of approximately HK$329,401,000 (2020: loss attributable to owners of the Company of approximately HK$79,483,000) and weighted average number of ordinary shares in issue during the year of approximately 8,758,881,000 shares (2020: 8,758,881,000 shares).

(b) Diluted earnings/(loss) per share

For the years ended 31 December 2021 and 2020, basic and diluted earnings/(loss) per share was the same as there were no potentially dilutive ordinary shares in issue during the years.

11. TRADE AND OTHER RECEIVABLES

	2021	2020
	HK$'000	*HK$'000*
Trade receivables *(Note (b) and (c))*	**124,786**	61,271
Other debtors	**8,430**	5,168
Deposits	**31,625**	5,200
Amount due from a joint venture *(Note (d))*	**577**	565
Financial assets measured at amortised cost	**165,418**	72,204
Value added tax recoverable	**3,485**	3,618
Other tax recoverable	**30,427**	1,858
Other prepayments	**3,507**	3,469
	202,837	81,149

Reconciliation to the consolidated statement of financial position:

Non-current	**6,220**	4,316
Current	**196,617**	76,833
	202,837	81,149

Notes:

(a) The Board considers that the carrying amounts of deposits, trade and other receivables measured at amortised cost approximate their fair values as the impact of discounting is not significant.

(b) Trade receivables are due within 30 to 90 days (31 December 2020: 30 days) from the date of billing. The following is an ageing analysis of trade receivables, presented based on the invoice date and net of loss allowance, is as follows:

	2021	2020
	HK$'000	*HK$'000*
0 – 30 days	**88,155**	59,801
31 – 60 days	**184**	85
61 – 90 days	**543**	1,178
Over 90 days	**35,904**	207
	124,786	61,271

(c) The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for trade receivables.

(d) The amount due from a joint venture is non-secured, interest-free and repayable on demand.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2021	2020
	HK$'000	*HK$'000*
Listed equity securities *(Note (i))*	**28,650**	53,054
Listed debt securities	**2,401**	14,945
Unlisted debt securities	**36,789**	6,091
Unlisted investment fund	**13,688**	–
	81,528	74,090

Notes:

(i) The listed equity investments represent listed shares on the Stock Exchange and are stated at fair value in level 1 hierarchy, except for a listed equity investment with suspension of trading, which is measured in level 3 hierarchy. Net investment loss of approximately HK$35,675,000 (2020: HK$32,906,000) (Note 6) has been recognised in profit or loss during the year ended 31 December 2021.

13. GOLD INVESTMENT

	2021	2020
	HK$'000	*HK$'000*
Gold held for investment, at fair value	**66,082**	68,589

The balance represented investment in physical gold bullions which measured at fair value. The purposes of holding physical gold bullions is to achieve capital appreciation and capture the effectiveness of gold as inflation-proofing instruments. The fair value loss of approximately HK$2,507,000 (2020: fair value gains of approximately HK$6,119,000) has been recognised in profit or loss during the year ended 31 December 2021.

14. TRADE AND OTHER PAYABLES

		2021	2020
		HK$'000	*HK$'000*
Trade payables	*(b)*	**17,987**	5,695
Other creditors and accrued charges	*(c)*	**100,072**	64,524
Financial liabilities measured at amortised cost		**118,059**	70,219
Other tax payables		**4,085**	228
Contract liabilities		**394**	31
		122,538	70,478

Notes:

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

(b) The following is an ageing analysis of the trade payables presented based on the invoice date at the end of the reporting period:

	2021	2020
	HK$'000	*HK$'000*
0 – 30 days	**13,695**	4,147
31 – 60 days	**2,745**	50
61 – 90 days	**143**	48
Over 90 days	**1,404**	1,450
	17,987	5,695

(c) Included in other creditors and accrued charges is a deposit of approximately HK$44,994,000 (31 December 2020: HK$44,994,000) 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 is to be returned to those third parties.

15. SHARE CAPITAL

Authorised and issued share capital

	2021		2020	
	No. of shares		No. of shares	
	'000	***HK$'000***	*'000*	*HK$'000*
Authorised:				
At 1 January and 31 December				
Ordinary shares of HK$0.01 each	**200,000,000**	**2,000,000**	200,000,000	2,000,000
Ordinary shares, issued and fully paid:				
At 1 January 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 meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

16. COMMITMENTS

	2021	2020
	HK$'000	*HK$'000*
Authorised but not contracted for	**124,763**	236,606

17. BUSINESS COMBINATION

(a) Summary of acquisition

On 21 September 2021 the Group completed the acquisition of entire share capital of Shanghai Energy Corporation ("SEC"), a company incorporated in Canada, and its subsidiaries (totally "**SEC Group**"). SEC Group is specialised in the exploration and production of oil and natural gas. The consideration was settled by granting a loan of C$20,000,000 (equivalent to approximately HK$121,773,000) to SEC Group and paying a cash consideration of C$1 (equivalent to HK$6) to acquire 100% equity interest in SEC.

The Group engaged an independent professional valuer to perform purchase price allocation exercise with reference to the business valuation using discounted cash flows forecast and market value approach. The recognised amounts of identifiable assets acquired and liabilities assumed are summarised as follows:

	21 September 2021
	HK$'000
Cash consideration paid	**–**
Loan to the SEC Group pre-exit before completion of acquisition	**121,773**
Total consideration *(Note (i))*	**121,773**
Recognised amounts of identifiable assets acquired and liabilities assumed:	
Property, plant and equipment	**860,753**
Right-of-use assets	**17,955**
Cash and cash equivalents	**93,047**
Trade and other receivables	**173,098**
Trade and other payables	**(46,347)**
Provisions	**(537,750)**
Lease liabilities	**(18,686)**
Deferred tax liabilities	**(12,642)**
Net identifiable assets acquired	**529,428**
Gain on bargain purchase	**(407,655)**
	121,773
Outflow of cash to acquire the business, net of cash acquired:	
Cash consideration paid	**(121,773)**
Less: Cash and cash equivalents acquired	**93,047**
Net cash outflow on acquisition	**(28,726)**

Notes:

(i) The consideration was settled by granting a loan of C$20,000,000 (equivalent to HK$121,773,000 to SEC and cash consideration of C$1 (Equivalent to HK$6).

(ii) The acquired business contributed revenues of HK$212,665,000 and net profit of HK$50,310,000 to the Group for the period from 21 September 2021 to 31 December 2021. If the acquisition had occurred on 1 January 2021, the consolidated revenue and consolidated profits of the Group for the year ended 31 December 2021 would have been HK$11,628,235,000 and HK$388,142,000, respectively.

MANAGEMENT DISCUSSIONS AND ANALYSIS

GENERAL REVIEW

The Group is pleased to report a profit after tax of HK$329.4 million for the year 2021 (2020: Loss after tax of HK$79.5 million). The turnaround in the Group's profitability and its subsequent operation profit was primarily attributable to the Group's acquisition of a private Canadian oil and gas company as well as the concurrent global recovery in commodity prices. In addition to the one-time gain on acquisition, the newly acquired Canadian oil and gas company will generate significant amount of positive cash flow to the Group for the foreseeable future.

NTE Energy Canada Ltd. ("**NTEC**") is an indirect, wholly-owned subsidiary of the Group headquartered in Calgary, Alberta operating over 800 producing wells in various oil and gas fields that span across approximately 761,000 acres (3,080 km^2) of land, located in the Canadian provinces of British Columbia (Greater Sierra Area and Horn River Basin), and Alberta (Wapiti and Willesden Green). Current average daily oil and gas production is in excess of 12,000 barrels of oil equivalent ("**boe**") per day (95% natural gas) and will provide sizable profits to the Group in the years ahead.

The Group also owns and operates a 1,200 acres (4.9 km^2) multi-use industrial site ("**Discovery Park**") at Campbell River, British Columbia, which is leased to tenants in industries including but not limited to, green data centres, modular construction, marine services, and steel fabrication. Income is also derived from landfill operations which provide landfilling capacities from nearby contaminated sites. With pre-existing amenities including low-cost electricity access, office buildings, warehouses, land, full scale water treatment plant, industrial size landfill, fresh water supply, deep water docks, barge ramp, and direct ocean water access within the site, the Group aims to realise the full potential of Discovery Park as a hub for green technology and to increase occupancy rates.

The growth potential of NTEC enables the Group to diversify its current oil and gas portfolio and geographical presence beyond its Argentina oil business. While Los Blancos Concession in Argentina continues to steadily produce oil at approximately 800 bbl per day, Argentina remains a challenging country for the Group to operate, due to factors such as low domestic oil prices, hyperinflation, currency devaluation, capital controls, bureaucracy, and labour union unrest.

In 2021, the Group's commodities trading business (in particular its physical gold and silver trading) continued to perform solidly in terms of trade volumes. With the Group's new refinery for precious metals in Hong Kong anticipated to be operational in the third quarter of 2022, the Group is optimistic that the refining process will contribute to the profitability of the company in 2023.

With no bank debt, the Group maintains a healthy financial position with HK$495.0 million in cash and cash equivalents (plus another HK$147.6 million in financial assets and gold investments for a total of HK$642.6 million of highly liquid current assets) as of 31 December 2021 and continues to actively evaluate suitable merger and acquisition opportunities. The Group operates under a strong Environmental, Social and Governance ("**ESG**") mandate and is passionate in the investment and future development of clean energy for global sustainability. The Group will continue to explore ways to work with local authorities and governing bodies to achieve the common goal of net zero emissions, through possible eco-investment opportunities such as Blue & Green Hydrogen and Carbon Capture, Utilization and Sequestration ("**CCUS**").

CANADA

Following an extensive process of due diligence and prolonged negotiations, the Group on 21 September 2021 completed the acquisition of a private Canadian oil and gas company ("**Target Company**") headquartered in Calgary, Alberta, with a focus on exploration and production in the Western Canadian Sedimentary Basin. The total commitment by the Group was C$20,000,001 (approximately HK$122 million equivalent) and was comprised of a C$20 million new loan to the Target Company for the repayment of existing indebtedness to its previous sole shareholder plus C$1 for the entire share capital of the Target Company at the completion date of 21 September 2021.

To signal a change in ownership and its connection with the Group after the acquisition, the Target Company was renamed to NTE Energy Canada Ltd. effective from 1 January 2022. The purpose of the new name is to better encapsulate the ambitions that the Group has, in its desire to be a part of the global Energy Transition that is underway, with social responsibility towards the environment and climate change at the forefront.

Information on Acquired Assets

NTEC's oil and gas assets are situated in four locations, namely Greater Sierra Area and Horn River Basin in the province of British Columbia (approximately 94.2% of NTEC's total reserves), and Wapiti and Willesden Green in the province of Alberta. The four locations in total are estimated to contain Proved (1P) reserves of 30.2 million boe and Proved plus Probable (2P) reserves of 40.0 million boe, attributable to the Group.

In addition, NTEC operates Discovery Park at Campbell River, British Columbia, providing industrial land parcels, buildings and warehouses for businesses to lease. Existing site infrastructure features an electrical substation that is connected to two 138 kV transmission lines, providing over 200MW of 100% renewable hydro energy power supply from BC Hydro sourced from a dam approximately 6 km away from the site with a rate as low as C$0.06/kWh. Additional facilities include a solid industrial waste landfill to handle hazardous substance disposal needs, a complimentary waste water treatment facility, fresh water supply, and 2 deep water piers for dock usage and direct ocean water access.

Operations Update

Greater Sierra Area, Horn River Basin, Wapiti and Willesden Green

During the period from 22 September 2021 to 31 December 2021 ("**Post-Acquisition Period**"), the Group has re-organized its newly acquired Canadian subsidiary to maximize its financial, tax and operational efficiencies. New procedures and departments have been put in place to strengthen management internal controls. With average daily oil and gas production of approximately 12,300 boe per day during the Post-Acquisition Period, NTEC remapped the gathering system connecting all the wells and facilities in the Greater Sierra Area and also prepared an optimization program of replacing old equipment, swabbing wells, and adjusting operational calibrations to improve underperforming wells. At the same time, shut-in wells are being restarted with the improved economics associated with higher natural gas prices. An elaborate computer modelling of the reservoir/production system has been undertaken to assist in the optimization process. This program was initiated in the fourth quarter of 2021 with a material increase in production expected in the first quarter of 2022.

Due to a rebound in demand for energy products in 2021, and winter seasonal effects further pushing commodity prices up, NTEC was able to generate a significant net cash flow and operating profits, which tangibly contributed towards for the Group's 2021 post-acquisition financial results. Given the current price forecast for natural gas in Western Canada in 2022, NTEC is expected to generate net operating cash flow of at least C$3.0 million per month in 2022 for the Group (approximately HK$18.3 million equivalent per month) without taking into account additional cash flow from new drilling.

Discovery Park

With respect to Discovery Park, the multi-use site is currently leased to tenants in industries including but not limited to green data centres, modular construction, marine services, and steel fabrication. The Group has already engaged the services of a world-renowned consulting group, Stantec Inc., to provide a master plan for a complete redevelopment of Discovery Park into a green-tech hub to attract new tenants that align with the Group's ESG mandate. The site is an ideal candidate for aquaculture as well as green hydrogen, given the low cost electricity on site and ample supply of ocean and fresh water. The Group is actively exploring ways to bring such projects to fruition through support and cooperation from local and federal government.

Additionally, the Group is in the process of setting up vertical farming operations at Discovery Park by partnering with well-known and established ag-tech companies both in Canada and globally to provide efficient, localized food supply solutions. Using indoor farming technologies, Discovery Park will contribute to redefining the way traditional agriculture is being carried out for certain food groups, by eliminating wasteful long supply chain agriculture into local chains that benefit the Western Canadian people, resources, and economy.

2022 Capital Program and Future Development

Following the Group's recent Canadian acquisition, focus is now on integrating and developing the new business. The acquisition represents a significant and important addition for the Group, with over 800 active wells, spanning approximately 761,000 acres (3,080 km^2) of land, producing in excess of 12,000 boe of oil and gas per day, plus Discovery Park, a 1,200 acres (4.9 km^2) multi-use site.

NTEC is currently applying for 3 well licenses from the Alberta Energy Regulator and finalizing a drilling and completion program which consists of drilling two-mile-long laterals for each well to be initiated in the third quarter of 2022. The 3 wells will be drilled and completed back to back using a single rig for a total expected capital expenditure of approximately C$10.5 million (approximately HK$67.2 million) net to NTEC's working interests, and is expected to be brought on production in the third quarter of 2022 so to take advantage of strong oil and gas prices over the winter months. Each of these 3 wells will average approximately 400 boe per day of production (45% light oil and natural gas liquids) net to NTEC in the first year, achieve payback of the initial capital expenditure within 5 months and generate a ROI of 160% over three years using GLJ Ltd.'s commodity price forecast as at 1 January 2022. NTEC is also planning to drill an additional 3 wells in Willesden Green, Alberta with one-mile-long laterals immediately after the aforementioned 3 wells can be successfully completed, provided that oil prices can be maintained at recent high levels. The cost of the latter 3 wells will carry a total cost of approximately C$7.2 million net to NTEC's working interests and achieve payback of the initial capital expenditure within 6 months. The 2022 capital program will be fully funded through NTEC's cash on hand. Any improvements in the oil and gas price outlook in 2022 and 2023 will allow NTEC to generate stronger cash flow and quicker returns from the 6 drilled wells that can be reinvested into the Group's ESG initiatives.

The Group believes natural gas will serve as the bridge fuel towards a low carbon economy, as the world in its attempt to satisfy commitments set forth in the Paris Agreement, transitions from high CO_2 emission energy sources such as coal and oil, towards renewables and zero emission sources. Alberta's phasing out of coal-fired electricity, projected to take effect by the end of 2023 (6 years ahead of the federally mandated 2029 deadline), provides long term price support and demand for natural gas. The Group is currently in the process of reviewing the economic feasibility of initiating CCUS at Greater Sierra Area by engaging relevant professional engineering and geoscience service providers who have extensive Energy Transition experience in North America. The Group expects the government of Canada to release an updated carbon policy in the second quarter of 2022 that will provide guidance and direction for CCUS initiatives that NTEC will be relying upon.

ARGENTINA

Operations Update

Los Blancos

Operated by High Luck Group Limited ("**High Luck**"), the Group's indirect, wholly-owned Argentinian subsidiary, the Los Blancos Concession ("**Los Blancos**") covers a surface area of approximately 95 km^2 in the Province of Salta in Northern Argentina.

Los Blancos is an oil exploitation concession in which the Group has a 50% participating interest, with Pampa Energia S.A (NYSE: PAM) being the owner of the other 50%. Granted by the provincial authorities of Salta in October 2020, the Group is entitled to produce crude oil in Los Blancos for the next 25 years.

With the exception of January 2021, when production was temporarily halted by High Luck to enable routine testing of the oil well, production for the year was relatively unhindered, except for minor labour union disruptions. Light crude oil continues to flow unaided under a stable and high wellhead pressure, with an API index of approximately 37º and zero water content, free of sulphur and other contaminants.

Average daily production achieved by HLG's 50% participating interest in Los Blancos during the year was approximately 342 bbl per day, excluding non-producing time. In Northern Argentina, where HLG's production facility is situated, and where the domestic market is denominated by one major refinery (Refinor), average sales price per bbl of oil for 2021 was US$56.02, compared to US$70.68 per bbl for Brent's 2021 average. In an effort to counteract Refinor's almost monopolistic status, the Group endeavours to market to other refineries willing to pay better price.

With HLG expecting to secure an export licence imminently, the Group is optimistic that oil sales from Los Blancos can be redirected to nearby refineries across the border in Bolivia and Paraguay, where prices offered are potentially higher and more aligned to Brent. The ability to export oil from Los Blancos to neighbouring countries of Argentina could dramatically change the outlook of the Group's business in Argentina.

Argentina challenges and outlook

During 2021, the Argentine Pesos ("**ARS**") further devalued by approximately 22% from ARS84.07 per US$ at the start of the year, to ARS102.69 per US$ by year end. The country also continues to be gripped by hyperinflation, and recorded an annualised inflation rate of 50.9% in 2021, compared to 36.1% in 2020.

With domestic oil price on average being approximately US$57.00 per bbl, which is substantially lower than international prices, and other difficulties including the politics, sporadic labour union and social unrest, Argentina continues to be a difficult place to conduct business. Furthermore, the country's capital controls also restrict the Group's and foreign investors' ability to repatriate ARS cash surpluses, with the exception of the prohibitively costly "Blue Dollar Rate" option.

The challenges posed by Argentina are likely to persist at least in the near future. The Group's exposure in Argentina is relatively low at HK$107.3 million i.e. less than 10% of the Group's net assets.

On a positive note, Argentina has recently recorded its highest monthly oil production in over a decade, which can only bode well for the possibility of a further rebound in domestic oil prices in the coming year, as the economy and demand for oil further strengthens.

COMMODITIES TRADING

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

During 2021, the Group's physical gold and silver trade business managed a total trading volume of HK$10,824.7 million. Average margins per trade in 2021 experienced marginal erosion, which was in part due to higher external refining and handling costs.

Due to the progress made by the Group, since it entered the physical gold trading business in June 2021, the Group took the decision to vertically expand, by establishing its own precious metals refinery. The aim is to grow the Group's gold and silver trade volumes, as well as restoring and improving the trading margins by bringing in-house this process. Additionally, refining will be a new service offering which the Group is hopeful it can build a meaningful market share.

Construction works of the specialised refinery plant and the installation of equipment at the site situated in Hong Kong are proceeding. However due to global supply chain disruptions, the Group's new precious metals refinery target commencement date is delayed to the third quarter of 2022.

OUTLOOK FOR 2022 AND BEYOND

2021 was a transformational year for the Group with its entry into Canada and the concurrent recovery in global commodity prices. NTEC has an inventory of 12 highly economic drilling locations at Willesden Green (of which 3 will be drilled and brought on production in the third quarter of 2022 with another 3 wells being planned for the second half of 2022) that will augment existing cash flow for the next 2 to 3 years as recent global events have demonstrated the necessity for stable energy sources like oil and gas while the world transitions to renewables. The aforementioned optimization program of the NTEC's existing wells in B.C. will also have positive effects on the Group's profitability and cash flow in the oil & gas segment of the Group in the coming years. In the longer term, the Group is particularly optimistic about the potential for CCUS at its Greater Sierra Assets in Northeast B.C.

Furthermore, recent global supply chain disruptions validate the Group's plan to start up vertical farming operations at Discovery Park on Vancouver Island which would provide localized food security, and in the process, enhances the Group's profitability at its Discovery Park operations and provides a source of funding for the renovating the buildings from its previous pulp mill operations.

The Group is witnessing a continued growth in daily trading volume of precious metals in recent months, and the trend is likely to continue. While the start-up of its precious metal refinery has been adversely affected by supply chain issues delaying the delivery of equipment to the plant, the Group believes the business of commodity trading of precious metal will, in the longer run, prove to be a profitable business for the Group.

With a strong financial position and positive cash flow expected from across all of the Group's operations in Canada and Argentina for 2022, the Group is prepared and excited about its ability to create long term value for shareholders. The Group has various ESG initiatives including but not limited to achieving sustainability and the goal of net zero emissions which will be discussed in the ESG section of the Company's forthcoming 2021 Annual Report.

FINANCIAL REVIEW

The Group's revenue for the year ended 31 December 2021 was approximately HK$11,167.08 million (2020: approximately HK$5,034.52 million). This was mainly contributed by the general and commodities refinery and trading business, as well as the oil and gas exploration and production business. Revenue from general and commodities refinery and trading business for the year ended 31 December 2021 was approximately HK$10,907.44 million (2020: approximately HK$5,008.93 million). The increase was mainly attributed to (i) expansion of the gold trading, (ii) commencement on the trading of other precious metals and (iii) trading on the petroleum related products in PRC. Revenue from the oil and gas exploration and production business for the year ended 31 December 2021 was approximately HK$259.63 million, representing an increase of approximately 914.6% as compared with revenue of approximately HK$25.59 million in 2020. The increase was mainly attributed to (i) new sales of oil and gas products in Canada, following completion of the acquisition of Shanghai Energy Corporation in Canada, subsequently renamed to NTE Energy Canada Ltd. ("**NTEC**") and (ii) a rise in crude oil price in Argentina.

The Group reported a gross profit of approximately HK$90.66 million (2020: approximately HK$23.50 million) for the year ended 31 December 2021. The increase in gross profit was mainly from the contribution by NTEC in Canada and the increase in crude oil price in Argentina.

The Group recognised gain on bargain purchase (negative goodwill) of approximately HK$407.66 million arising from the acquisition of a private Canadian oil and gas company as a result of the difference between the fair value of the consideration paid and the fair value of the net assets acquired. The fair value of the identifiable assets acquired and liabilities assumed were based on BMI Appraisal Limited, an independent qualified professional valuer with no connection to the Group.

General and administrative expenses of the Group for the year ended 31 December 2021 was approximately HK$109.85 million, representing an increase of approximately 177.1% as compared to approximately HK$39.64 million in 2020. This was mainly due to the consolidating of NTEC's post-acquisition results and expenses incurred in relation to merger and acquisition projects.

For the year ended 31 December 2021, the Group did not recognise any further impairment loss on right-of-use assets. (2020: approximately HK$5.82 million).

The Group however recognised net investment loss in respect of financial instruments at fair value through profit or loss of approximately HK$40.94 million (2020: HK$29.62 million) for the year ended 31 December 2021. The increase in net investment loss by 38.2% was due to adverse capital market conditions during the year.

Finance costs of the Group for the year ended 31 December 2021 was approximately HK$13.93 million, which represents an increase of approximately 25.3% as compared to approximately HK$11.12 million in 2020.

Share of losses of joint ventures decreased by approximately HK$7.07 million from approximately HK$7.08 million in 2020 to approximately HK$5,000 in 2021.

Income tax charge of the Group for the year ended 31 December 2021 was approximately HK$14.23 million (2021: approximately HK$14.94 million).

For the year ended 31 December 2021, the Group recorded a profit for the year of approximately HK$329.40 million (2020: loss of approximately HK$79.49 million), mainly as a result of the gain on bargain purchase on the acquisition of a private Canadian oil and gas company which was completed on 21 September 2021 as well as its subsequent operation profit.

Basic earnings per share for the year ended 31 December 2021 was approximately HK3.76 cents (2020: loss per share of approximately HK0.91 cents).

The board of directors of the Company does not recommend the payment of any final dividend for the year ended 31 December 2021 (2020: 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$536.79 million had been used from the subscription date to 31 December 2021 in accordance with 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 and 26 March 2020. As at 31 December 2020, the unused balance of the 2016 Subscription Shares Proceeds was approximately HK$131.04 million. The actual use of the 2016 Subscription Shares Proceeds during the year ended 31 December 2021 was approximately HK$0.06 million for Argentina operational purposes, approximately HK$79.36 million for investment in oil and gas, power generation and renewable and approximately HK$31.18 million for investment in short-term financial instruments and general administrative purposes including the repayment of debt and interest. As at 31 December 2021, the total unused balance of 2016 Subscription Shares Proceeds was approximately HK$20.44 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$468.18 million had been used from the date of subscribing the open offer to 31 December 2021 in accordance with 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, 26 March 2020 and 29 April 2020. On 18 March 2021, the Company announced changes on its intended use of the unused balances of the Open Offer Proceeds. Details of the changes were set out in the announcements of the Company dated 18 March 2021. As at 31 December 2020, the unused balance of the Open Offer Proceeds was approximately HK$473.77 million. The actual use of the Open Offer Proceeds during the year ended 31 December 2021 was approximately HK$47.59 million for investment in oil and gas, power generation and renewable energy and approximately HK$157.96 million for expansion of metal commodities trading. As at 31 December 2021, the unused balance of the Open Offer Proceeds was approximately HK$268.22 million.

The following table summarises the use of net proceeds for the 2016 Subscription Shares Proceeds and Open Offer Proceeds during the year ended 31 December 2021.

	Unused amount of net proceeds as at 31 December 2020	**Change in use of proceeds on 18 March 2021**	**Actual use of net proceeds during the year ended 31 December 2021**	**Unused amount of net proceeds as at 31 December 2021**	**Proposed change in use of proceeds as at date of this announcement**	**New allocation for remaining portion of proceeds**
	HK$'million	*HK$'million* *(Note 3)*	*HK$'million*	*HK$'million*	*HK$'million*	*HK$'million*
2016 Subscription Share Proceeds						
– Argentina operational purposes	20.50	–	(0.06)	20.44	(20.44) *(Note 4)*	–
–Investment in oil and gas, power generation and renewable energy	79.36	–	(79.36)	–	–	–
–Investment in short to medium term financial instruments and general administrative purposes	31.18	–	(31.18)	–	20.44	20.44
Total	131.04	–	(110.60)	20.44	–	20.44
Open Offer Proceeds						
– Argentina operational purpose	59.29	(59.29)	–	–	–	–
–Investment in oil and gas, power generation and renewable energy	150.00	59.29	(47.59)	161.70 *(Note 1)*	–	161.70
– Expansion of metal commodities trading	264.48	–	(157.96)	106.52 *(Note 2)*	–	106.52
Total	473.77	–	(205.55)	268.22	–	268.22

Notes:

1. As disclosed in the announcement of the Company dated 29 July 2021, the unused amount of net proceeds will be utilised on or before 30 June 2022. It is expected that the use of the unutilised proceeds will be postponed to on or before the year ending 31 December 2023. In the previous years, the Group investigated multiple investment opportunities, but had deferred utilising the proceeds due to inherent uncertainties that exist with the opportunities, regarding to the timing and outcome of negotiations with counterparties.

2. The unused amount of net proceeds as at 31 December 2021 is expected to be utilised on or before the year ending 31 December 2023.

3. Details of the change in use of proceeds are set out in the announcements of the Company dated 18 March 2021 and 29 July 2021.

4. Details of the change in use of proceeds are set out in the paragraph headed "Change in use of proceeds" to this announcement.

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 price fluctuations in inventories of precious metals and gold bullion held by the Group. The use of these derivative financial instruments is closely monitored and controlled by the Group.

As at 31 December 2021, the Group's net current assets amounted to approximately HK$684.14 million (31 December 2020: HK$649.84 million) and the Group had cash and cash equivalents of approximately HK$494.96 million (31 December 2020: HK$640.92 million).

Cash and cash equivalents of the Group as at 31 December 2021 were mainly denominated in Hong Kong Dollar, United States Dollar, Canadian Dollar, Argentine Peso and Renminbi.

As at 31 December 2021, total equity of the Group was approximately HK$1,101.48 million (31 December 2020: HK$758.96 million). Net asset value per share equated to approximately HK$0.13 (31 December 2020: approximately HK$0.09). Debt ratio, calculated as total liabilities divided by total assets, was approximately 36.6% (31 December 2020: approximately 25.7%).

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

Borrowings

As at 31 December 2021, the Group did not have unsecured debt securities and unsecured short-term loan (31 December 2020: unsecured debt securities of approximately HK$141.32 million denominated in Hong Kong Dollar and carrying interest at fixed rate and unsecured short-term loan of approximately HK$4.75 million denominated in Renminbi and carrying interest at fixed rate).

Gearing Ratio

As at 31 December 2021, gearing ratio, calculated on the basis of interest bearing borrowings divided by total equity, was 0% (31 December 2020: 19.25%).

Charge on Assets

As at 31 December 2021, the Group did not have any charge on its assets (31 December 2020: Nil).

Contingent Liabilities

As at 31 December 2021, the Group did not have any material contingent liabilities (31 December 2020: Nil).

Capital Commitments

Details of the capital commitments of the Group as at 31 December 2021 are set out in Note 16 to this announcement.

Principal Risks and Uncertainties

The Group's financial condition, results of operations, businesses and prospects are subject to a number of risks and uncertainties including business risks, operational risks and financial risks.

The Group's business of commodities trading is exposed to development risk, as well as supply chain risk. The Group mitigates these risk factors by developing its customer base in order to achieve better operating performance on its commodities trades, and also by expanding its supplier base to achieve a stable supply of commodities.

The Group's business activities in exploration, development, production and sale of crude oil are susceptible to geological, exploration and development risks. The Group strives to establish and maintain comprehensive technical and operational teams. Through detailed planning, analysis and discussion amongst the teams, and with support from experienced consultants and experts, the Group is able to manage and mitigate the risks arising from changes in the business environment to a reasonably acceptable level.

In the normal course of business, the Group is exposed to credit risk, liquidity risk, interest rate risk, currency risk, price risk arising from prices fluctuation of crude oil and commodities, and equity price risk arising from its investment in equity securities.

In addition to the abovementioned risks and uncertainties, there may be other risks and uncertainties which the Group has not identified, or is aware of, or considers it to be of minimal impact to the Group presently, which however has the potential to become significant in the future.

Foreign Exchange Exposure

Assets and liabilities of the Group are mainly denominated in Hong Kong Dollar, United States Dollar, Canadian Dollar, Argentine Peso and Renminbi. 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 Canada and 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 31 December 2021, the Group employed a total of 99 (2020: 44) permanent employees in Hong Kong, Canada, Argentina and China. Total employee remuneration (including directors' remuneration and benefits) for the year ended year ended 31 December 2021 was amounted to approximately HK$30.99 million (2020: approximately HK$16.38 million). The Group provides its employees with competitive remuneration packages relative to their job performance, qualifications, experience, and prevailing market conditions in the respective geographical locations and businesses in which the Group operates. The Group also operates mandatory defined contribution retirement benefits schemes for its employees in Hong Kong, Canada, Argentina and China as required by the applicable laws and regulations of the countries where the staff was employed.

Relationship with Suppliers, Customers and other Stakeholders

The Group understands the importance of maintaining a good relationship with its suppliers, customers, social communities and governments to meet its objectives and long-term goals. Save as disclosed in the section headed "Business Review", there was no material or significant dispute between the Group and its suppliers, customers and/or stakeholders during the year.

Material Acquisitions and Disposals

On 21 September 2021, the Company, through two indirect wholly-owned subsidiaries, entered into the definitive agreements to provide a Loan to NTEC in Canada as well as to acquire all of the shares of the NTEC for a total commitment of C$20 million (equivalent to approximately HK$122 million). After the completion of the acquisition, NTEC became an indirect wholly-owned subsidiary of the Company. Details of the acquisition were set out in the announcement of the Company dated 21 September 2021.

Save as disclosed above, the Group did not have any material acquisitions and disposals of subsidiaries, associated companies, and joint ventures during the year ended 31 December 2021.

Change in use of proceeds

The Group's wholly owned Argentina subsidiary continues to generate cash and be financially self-sufficient from its oil production in Los Blancos Concession. Therefore, the Board of the Company has resolved to reallocate HK$20.44 million from the unutilised 2016 Subscription Share Proceeds, which was set for Argentina operational purposes, and to re-designate this amount for the purposes of investment in short to medium term financial instruments and general administrative purposes. The Board considered this latest proposed change in use of proceeds was in the best interests of the Company and its shareholders as a whole.

The following table summarises the latest proposed change in use of proceeds and the resulting new allocation for the unutilised amount of net proceeds of the 2016 Subscription Share Proceeds at the date of this announcement.

Intended use	Unused amount of net proceeds as at 31 December 2020	Actual use of net proceeds during the year ended 31 December 2021	Proposed change in use of proceeds as at date of this announcement	New allocation for remaining portion of proceed
	HK$ million	*HK$ million*	*HK$ million*	*HK$ million*
2016 Subscription Share Proceeds:				
– Argentina operational purposes	20.50	(0.06)	(20.44)	–
– Investment in oil and gas, power generation, and renewable energy	79.36	(79.36)	–	–
– Investment in short to medium term financial instruments and general administrative purposes	31.18	(31.18)	20.44	20.44
Total	131.04	(110.60)	–	20.44

Significant Investments

As at 31 December 2021, the Group held financial assets at fair value through profit or loss and gold investment in gold bullion amounting to approximately HK$81.53 million and approximately HK$66.08 million respectively.

(i) Financial assets at fair value through profit or loss

As at 31 December 2021, the Group's financial assets at fair value through profit or loss comprised of listed equity securities, listed debt securities, unlisted debt securities and an unlisted investment fund amounting to approximately HK$28.65 million, approximately HK$2.40 million, approximately HK$36.79 million and approximately HK$13.69 million respectively.

As at 31 December 2021, details of the listed equity securities are set out below:

Name of company	Principal business	Fair-value at 31 December 2021 *HK$'million*	Net fair value (gains)/loss for year ended 31 December 2021 *HK$'million*
Beijing Gas Blue Sky Holdings Limited (Stock code: 6828) *(Note (ii))*	Sales and distribution of natural gas and other products	10.70	32.58 *(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	3.80	(0.06) *(Note (i))*
China Overseas Land & Investment Ltd. (Stock code: 688)	Property development and investment and other operation	6.62	(0.57) *(Note (i))*
JD Health International Inc. (Stock code: 6618)	The online healthcare platform and online retail pharmacy in China	3.75	3.25 *(Note (i))*
Xiaomi Coporation (Stock code: 1810)	Development and sales of smartphone, internet of things and lifestyles products, provision of services	3.78	1.20 *(Note (i))*
		28.65	36.40

Note:

(i) The amounts represented (gains)/losses arising from the change in fair value for the year ended 31 December 2021.

(ii) Beijing Gas Blue Sky Holdings Limited halted trading from 18 January 2021. As there was an absence of quoted prices for the shares which were suspended for trading, the fair value was determined by valuation conducted by the independent professional valuer. The fair value was estimated based on the net asset valuation approach.

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

At as 31 December 2021, the Group held two investments of debt securities listed in Hong Kong or overseas, two unlisted debt investments and an unlisted fund. The carrying value for each of these investments is less than 5% of the total assets of the Group. For the year ended 31 December 2021, the Group recognised a net investment loss of approximately HK$40.94 million, which comprised interest and dividend income of approximately HK$3.93 million and a loss arising from the change in fair value of approximately HK$44.87 million, on those investments in the consolidated statement of profit or loss.

(ii) Gold investment

As at 31 December 2021, the Group held gold bullion at a fair value of approximately HK$66.08 million. For the year ended 31 December 2021, the Group recognised a loss arising from the change in fair value of approximately HK$2.51 million on the gold bullion which was largely offset by the hedging gains on derivative financial instruments for the gold investment amounting to HK$2.90 million. The purpose of holding gold investment is to achieve capital appreciation. Historically, gold has been an effective inflation proofing commodity.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed above, the Group does not have any material subsequent events after and up to the date of this announcement.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Corporate Governance Code

The board (the "**Board**") of directors (the "**Directors**") of the Company and management of the Group strive to attain and maintain high standards of corporate governance best suited to the needs of its businesses and interest and value of the shareholders of the Company (the "**Shareholders**") 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 Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The Company periodically reviews its corporate governance practices to ensure its continuous compliance with the CG Code. For the year ended 31 December 2021 (the "**Year**"), the Company complied with all code provisions of the CG Code and adopted the recommended best practices of the CG Code insofar as they are relevant and practicable.

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. Having made specific enquiry of all Directors, each of the Directors has confirmed that he had complied with the required standard set out in the Model Code throughout the Year.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of financial position, and the related notes thereto for the year ended 31 December 2021 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, with respect to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants, and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

REVIEW OF 2021 CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Group for the Year, including the accounting principles and practices, internal control and financial reporting matters have been reviewed and approved by the Audit Committee, and the Audit Committee is of the opinion that such financial statements comply with the applicable accounting standards, the Listing Rules and all other applicable legal requirements. The Audit Committee therefore recommended the Board's approval of the Group's consolidated financial statements for the Year.

DISTRIBUTABLE RESERVES

As at 31 December 2021, the Company had no retained profits available for cash distribution and/or distribution in specie. Pursuant to the Company Act 1981 of Bermuda (as amended), the Company's contributed surplus of HK$740,880,000 is currently not available for distribution. The Company's share premium account of HK$4,868,181,000 may be distributed in the form of fully paid bonus shares.

DIVIDEND

The Directors did not recommend the payment of a final dividend for the Year (2020: Nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Year.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the knowledge of the Directors, the Company has maintained the minimum public float of 25% as required under the Listing Rules throughout the Year and up to the date of this announcement.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on Thursday, 23 June 2022 (the "**AGM**"). A notice convening the AGM and all other relevant documents will be published and dispatched to the Shareholders in due course.

MATERIAL LITIGATION

The Company was not involved in any material litigation or arbitration during the year ended 31 December 2021. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group for the year ended 31 December 2021.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed during the period from Monday, 20 June 2022 to Thursday, 23 June 2022 (both days inclusive), during which no transfers of shares will be registered, for the purpose of determining shareholders' entitlement to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Friday, 17 June 2022.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the respective websites of the Company (www.nt-energy.com) and The Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk). The annual report of the Company for the Year will be dispatched to the Shareholders and made available on the above websites in due course.

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

Hong Kong, 29 March 2022

As 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