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 2022

FINANCIAL HIGHLIGHTS

	Six months ended 30 June	
	2022	2021
Revenue *(HK$'000)*	**10,402,767**	4,928,637
Profit/(loss) before taxation *(HK$'000)*	**229,041**	(19,286)
Profit/(loss) for the period *(HK$'000)*	**214,868**	(21,681)
Earnings/(losses) per share – Basic *(HK cent)*	**2.45**	(0.25)

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2022.

* *For identification purposes 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 2022, together with the comparative figures for the corresponding period in 2021.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2022

		Unaudited Six months ended 30 June	
		2022	2021
	Note	***HK$'000***	*HK$'000*
Revenue	*4*	**10,402,767**	4,928,637
Cost of sales	*6*	**(10,107,886)**	(4,923,216)
Gross profit		**294,881**	5,421
Other income, gains and losses, net	*5*	**1,035**	11,517
General and administrative expenses	*6*	**(53,595)**	(26,852)
Net investment gain/(loss)	*7*	**1,015**	(5,089)
Finance costs	*8*	**(14,291)**	(4,279)
Share of losses of joint ventures		**(4)**	(4)
Profit/(loss) before taxation		**229,041**	(19,286)
Income tax expense	*9*	**(14,173)**	(2,395)
Profit/(loss) for the period		**214,868**	(21,681)
Profit/(loss) attributable to:			
Owners of the Company		**214,868**	(21,685)
Non-controlling interests		**–**	4
Profit/(loss) for the period		**214,868**	(21,681)
Earnings/(losses) per share attributable to owners of the Company for the period	*11*		
Basic *(HK cent)*		**2.45**	(0.25)
Diluted *(HK cent)*		**2.45**	(0.25)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2022

	Unaudited Six months ended 30 June **2022** ***HK$'000***	 2021 *HK$'000*
Profit/(loss) for the period	**214,868**	(21,681)
Other comprehensive income/(loss):		
Item that will not be reclassified to profit or loss:		
Change in fair value of financial assets at fair value through other comprehensive income	**(6)**	26
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	**(41,983)**	(21,176)
Other comprehensive loss for the period, net of tax	**(41,989)**	(21,150)
Total comprehensive income/(loss) for the period	**172,879**	(42,831)
Total comprehensive income/(loss) attributable to:		
Owners of the Company	**172,879**	(42,835)
Non-controlling interests	**–**	4
	172,879	(42,831)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2022

	Note	Unaudited 30 June 2022 HK$'000	Audited 31 December 2021 HK$'000
Non-current assets			
Property, plant and equipment	*12*	**811,400**	845,610
Investments in joint ventures		**932**	936
Financial assets at fair value through other comprehensive income		**4**	10
Prepayments, deposits and other receivables	*14*	**13,956**	6,220
		826,292	852,776
Current assets			
Inventories	*13*	**103,901**	44,196
Trade and other receivables	*14*	**205,182**	196,617
Current tax recoverable		**–**	196
Derivative financial instruments		**1,730**	–
Financial assets at fair value through profit or loss	*15*	**54,038**	81,528
Gold investment	*16*	**65,279**	66,082
Cash and cash equivalents		**700,046**	494,955
		1,130,176	883,574
Current liabilities			
Trade and other payables	*17*	**124,520**	122,538
Lease liabilities		**9,078**	7,479
Derivative financial instruments		**–**	2,354
Provisions		**66,125**	66,019
Income tax payable		**1,040**	1,040
		200,763	199,430
Net current assets		**929,413**	684,144
Total assets less current liabilities		**1,755,705**	1,536,920

	Note	Unaudited 30 June 2022 HK$'000	Audited 31 December 2021 HK$'000
Non-current liabilities			
Lease liabilities		**24,588**	23,505
Deferred tax liabilities		**60,970**	46,221
Provisions		**364,612**	365,713
		450,170	435,439
Net assets		**1,305,535**	1,101,481
Equity			
Equity attributable to owners of the Company			
Share capital	*18*	**87,589**	87,589
Reserves		**1,217,995**	1,013,941
		1,305,584	1,101,530
Non-controlling interests		**(49)**	(49)
Total equity		**1,305,535**	1,101,481

Notes

1. GENERAL INFORMATION

New Times Energy Corporation Limited (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.

This condensed consolidated interim financial information is presented in thousands of Hong Kong dollars (HK$'000), unless otherwise stated. This condensed consolidated interim financial information was approved for issue by the Board on 26 August 2022.

2. BASIS OF PREPARATION

The condensed consolidated interim financial information for the six months ended 30 June 2022 has been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34, "Interim Financial Reporting". The interim report does not include all the notes of the type normally included in annual financial report. Accordingly, this interim report should be read in conjunction with the annual financial statements for the year ended 31 December 2021, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRS**").

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the condensed consolidated interim financial information are consistent with those applied in the preparation of the Group's annual financial statements for the year ended 31 December 2021, except for the adoption of the following amendments to standards for the first time for accounting periods beginning on or after 1 January 2022.

Amendments to standards and accounting guideline adopted by the Group

HKFRS 16 (Amendments)	COVID-19-Related Rent Concessions beyond 30 June 2021
Annual Improvements to HKFRS Standards 2018-2020	Annual Improvements to HKFRSs Standards 2018-2020
Amendments to HKFRS 3, HKAS 16, and HKAS 37	Narrow-scope Amendments
Hong Kong Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combinations

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

New and amended standards and interpretation that are not yet effective and have not been early adopted by the Group

The following new standard, amendments to existing standards and interpretation have been issued but are not yet effective for the six months ended 30 June 2022:

		Effective for annual periods beginning on or after
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 standard, amendments to standards and interpretation when they become effective. The Group has already commenced an assessment of the related impact of adopting the above new standard, amendments to standards and interpretation, none of which is expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

4. 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 4(b).

(a) Disaggregation of revenue

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

	(Unaudited) Six months ended 30 June	
	2022	2021
	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	**9,813,745**	4,840,064
– Sales of petroleum-related products under general and commodities trading	**–**	71,610
– Sales of oil and gas products under oil and gas exploration and production	**589,022**	16,963
	10,402,767	4,928,637

(b) Segment reporting

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker that are used to making 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 2021, the Group has expanded its commodities refinery and trading of non-ferrous metals and physical gold to other precious metals including physical silver and platinum trading. 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.

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

a. Upstream: 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 Canada and Argentina.

b. General and commodities refinery and trading: This segment includes refinery and trading of precious 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 ("**FVOCI**") 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 additions 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 period is set out below:

	(Unaudited)					
	Upstream		**General and commodities refinery and trading**		**Total**	
	Six months ended 30 June		**Six months ended 30 June**		**Six months ended 30 June**	
	2022	2021	**2022**	2021	**2022**	2021
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:						
Reportable segment revenue *(Note)*	**589,022**	16,963	**9,813,745**	4,911,674	**10,402,767**	4,928,637
Reportable segment result	**231,639**	543	**5,119**	2,635	**236,758**	3,178
Depreciation	**53,333**	7,082	**1,198**	260	**54,531**	7,342
Fair value loss on gold investment	**–**	–	**(803)**	(4,640)	**(803)**	(4,640)
Gains on derivative financial instruments	**–**	–	**4,288**	10,749	**4,288**	10,749
Provision on inventories	**–**	–	**–**	(1,490)	**–**	(1,490)
Interest income	**1,315**	1,164	**55**	35	**1,370**	1,199
Interest expense	**(13,988)**	–	**(225)**	(71)	**(14,213)**	(71)
Additions to non-current segment assets	**14,013**	4,293	**3,752**	7,485	**17,765**	11,778
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)
	30 June	31 December	**30 June**	31 December	**30 June**	31 December
	2022	2021	**2022**	2021	**2022**	2021
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Reportable segment assets	**1,384,330**	1,216,226	**391,514**	336,425	**1,775,844**	1,552,651
Reportable segment liabilities	**(516,459)**	(510,321)	**(19,399)**	(18,527)	**(535,858)**	(528,848)

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.

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

	(Unaudited) Six months ended 30 June	
	2022	2021
	HK$'000	*HK$'000*
Revenue		
Reportable segment revenue	**10,402,767**	4,928,637
Result		
Reportable segment result	**236,758**	3,178
Unallocated interest income	**313**	497
Unallocated interest expenses	**(78)**	(4,208)
Other expenses in corporate head office	**(7,797)**	(13,660)
Share of losses of joint ventures	**(4)**	(4)
Net investment loss	**(151)**	(5,089)
Profit/(loss) before taxation	**229,041**	(19,286)

	(Unaudited)	(Audited)
	30 June	31 December
	2022	2021
	HK$'000	*HK$'000*
Assets		
Reportable segment assets	**1,775,844**	1,552,651
Investments in joint ventures	**932**	936
Financial assets at FVOCI	**4**	10
Unallocated corporate assets		
– Cash and cash equivalents	**143,262**	148,629
– Financial assets at fair value through profit or loss	**30,601**	31,051
– Other receivables	**3,376**	3,021
– Others	**2,449**	52
Consolidated total assets	**1,956,468**	1,736,350
Liabilities		
Reportable segment liabilities	**(535,858)**	(528,848)
Deferred tax liabilities	**(60,970)**	(46,221)
Unallocated corporate liabilities		
– Deposit received	**(44,994)**	(44,994)
– Unallocated lease liabilities	**(4,774)**	(3,601)
– Others	**(4,337)**	(11,205)
Consolidated total liabilities	**(650,933)**	(634,869)

(iii) Geographical information

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

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.

	(Unaudited) Revenue from external customers Six months ended 30 June		**(Unaudited) Specified non-current assets**	(Audited)
			30 June	31 December
	2022	2021	**2022**	2021
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**8,946,617**	4,272,516	**26,638**	13,807
Singapore	**867,128**	567,548	**–**	–
Canada	**548,672**	–	**683,143**	718,292
Argentina	**40,350**	16,963	**116,426**	120,434
Mainland China	**–**	71,610	**81**	233
	10,402,767	4,928,637	**826,288**	852,766

5. OTHER INCOME, GAINS AND LOSSES, NET

	(Unaudited) Six months ended 30 June	
	2022	2021
	HK$'000	*HK$'000*
Bank interest income	**1,683**	1,696
Drilling service income	**739**	–
Gains on derivative financial instruments	**4,288**	10,749
Fair value loss on gold investment	**(803)**	(4,640)
Hyperinflation monetary adjustment *(Note)*	**7,236**	5,526
Net foreign exchange losses	**(15,140)**	(2,403)
Rental income	**2,268**	–
Others	**764**	589
	1,035	11,517

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 period hyperinflation monetary adjustment for the change in price index amounting to approximately HK$7,236,000 (2021: approximately HK$5,526,000) was recognised in the condensed consolidated statement of profit or loss.

6. EXPENSES BY NATURE

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

	(Unaudited) Six months ended 30 June	
	2022	2021
	HK$'000	*HK$'000*
Cost of inventories recognised as expense	**9,805,036**	4,908,028
Depreciation of property, plant and equipment	**56,815**	7,091
Depreciation of right-of-use assets	**3,395**	260
Employee benefit expense (including directors' remuneration)	**34,268**	8,018
Provision for inventories	**–**	1,490
Processing charges	**2,668**	8,109
Legal and professional fees	**7,733**	8,228
Transportation cost	**63,575**	28
Agency fees	**–**	2,193
Others	**187,991**	6,623
Total cost of sales and general and administrative expenses	**10,161,481**	4,950,068

7. NET INVESTMENT GAIN/(LOSS)

	(Unaudited) Six months ended 30 June	
	2022	2021
	HK$'000	*HK$'000*
Net gains/(losses) in listed equity securities	**1,455**	(5,425)
Net losses in listed and unlisted debt securities	**(440)**	(95)
Net gains in unlisted equity-linked debt securities	**–**	431
	1,015	(5,089)

8. FINANCE COSTS

	(Unaudited) Six months ended 30 June	
	2022	2021
	HK$'000	*HK$'000*
Interest on borrowings	**–**	4,111
Interest on lease liabilities	**813**	168
Imputed interest in provisions	**13,478**	–
	14,291	4,279

9. INCOME TAX EXPENSE

	(Unaudited) Six months ended 30 June	
	2022	2021
	HK$'000	*HK$'000*
Current tax		
Provision for the period	**11**	172
Deferred tax		
Charged to the profit or loss	**14,162**	2,223
	14,173	2,395

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 periods.

Hong Kong profits tax has been provided for at the rate of 16.5% for the six months ended 30 June 2022 (2021: 16.5%) on the estimated assessable profit for the period. No provision for Hong Kong profits tax has been made for the six months ended 30 June 2022 as the Group's operations in Hong Kong had no assessable profits (2021: Nil).

Subsidiaries of the Group in Argentina are subject to Argentine corporate income tax ("**AIT**") at 35% (2021: 30%) and minimum presumed income tax ("**MPIT**"). The tax rate of AIT increased from 30% to 35% for the year ended 31 December 2021 onwards. 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 federal 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% (2021: 25%).

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

10. DIVIDENDS

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2022 (2021: Nil).

11. EARNINGS/(LOSSES) PER SHARE

(a) Basic earnings/(losses) per share

The calculation of basic earnings/(losses) per share is based on the Group's profit attributable to owners of the Company of approximately HK$214,868,000 (2021: loss of attributable to owners of the Company of approximately HK$21,685,000) and weighted average number of ordinary shares in issue during the period of approximately 8,758,881,000 shares (2021: approximately 8,758,881,000 shares).

(b) Diluted earnings/(losses) per share

For the six months ended 30 June 2022 and 2021, basic and diluted earnings/(losses) per share were the same as there were no potentially dilutive ordinary shares in issue during the period.

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2022, additions to the cost of property, plant and equipment were approximately HK$20,278,000 (2021: approximately HK$11,378,000) and no transfer from exploration and evaluation assets to property, plant and equipment (2021: approximately HK$57,320,000). For the details of the commitment for the purchase of property, plant and equipment, refer to Note 19.

13. INVENTORIES

	(Unaudited) **30 June** **2022** ***HK$'000***	(Audited) 31 December 2021 *HK$'000*
Precious metals held for refinery and trading, at cost	**86,131**	28,355
Consumables	**17,717**	15,756
Oil products	**53**	85
	103,901	44,196

14. TRADE AND OTHER RECEIVABLES

	(Unaudited) **30 June** **2022** ***HK$'000***	(Audited) 31 December 2021 *HK$'000*
Trade receivables *(Note (b))*	**129,540**	124,786
Other debtors	**12,306**	8,430
Deposits	**39,101**	31,625
Amount due from a joint venture *(Note (c))*	**582**	577
Financial assets measured at amortised cost	**181,529**	165,418
Value added tax recoverable	**3,122**	3,485
Other tax recoverable	**32,742**	30,427
Other prepayments	**1,745**	3,507
	219,138	202,837
Reconciliation to the condensed consolidated statement of financial position:		
Non-current	**13,956**	6,220
Current	**205,182**	196,617
	219,138	202,837

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 2021: 30 to 90 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:

	(Unaudited) **30 June** **2022** ***HK$'000***	(Audited) 31 December 2021 *HK$'000*
0-30 days	**106,575**	88,155
31-60 days	**588**	184
61-90 days	**–**	543
Over 90 days	**22,377**	35,904
	129,540	124,786

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

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	(Unaudited) **30 June** **2022** ***HK$'000***	(Audited) 31 December 2021 *HK$'000*
Listed equity securities	**29,949**	28,650
Listed debt securities	**652**	2,401
Unlisted debt securities	**23,437**	36,789
Unlisted fund	**–**	13,688
	54,038	81,528

16. GOLD INVESTMENT

	(Unaudited) **30 June** **2022** ***HK$'000***	(Audited) 31 December 2021 *HK$'000*
Gold held for investment, at fair value	**65,279**	66,082

The balance represented investment in physical gold bullions which was measured at fair value. The purposes of holding physical gold bullions are to support the development of the Group's physical gold trading business, and to achieve capital appreciation and capture the effectiveness of gold as inflation-proofing instruments. The fair value loss of approximately HK$803,000 (2021: HK$4,640,000) has been recognised in the condensed consolidated statement of profit or loss during the six months ended 30 June 2022.

17. TRADE AND OTHER PAYABLES

	(Unaudited) 30 June 2022 *HK$'000*	(Audited) 31 December 2021 *HK$'000*
Trade payables *(Note (ii))*	**17,276**	17,987
Other creditors and accrued charges *(Note (iii))*	**97,231**	100,072
Financial liabilities measured at amortised cost	**114,507**	118,059
Other tax payables	**7,747**	4,085
Contract liabilities	**2,266**	394
	124,520	122,538

Notes:

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

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

	(Unaudited) 30 June 2022 *HK$'000*	(Audited) 31 December 2021 *HK$'000*
0-30 days	**8,061**	13,695
31-60 days	**3,718**	2,745
61-90 days	**374**	143
Over 90 days	**5,123**	1,404
	17,276	17,987

(iii) Included in other creditors and accrued charges is a deposit of approximately HK$44,994,000 (31 December 2021: approximately 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.

18. SHARE CAPITAL

Authorised and issued share capital

	30 June 2022		31 December 2021	
	No. of shares		No. of shares	
	'000	***HK$'000***	*'000*	*HK$'000*
Authorised:				
At beginning and end of reporting period				
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 beginning and end of reporting period				
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.

19. COMMITMENTS

	(Unaudited)	(Audited)
	30 June	31 December
	2022	2021
	HK$'000	*HK$'000*
Authorised but not contracted for	**125,550**	124,763
Authorised and contracted for	**18,153**	–
	143,703	124,763

20. LITIGATION

On 4 June 2021, a wholly-owned subsidiary of the Group, was notified of the initiation of an arbitration process against it by Pampa Energia S.A a joint participation partner. The origin of the alleged claim arises from the dispute with the Partner in relation to the calculation and settlement of farm-in cost, due to differences in the interpretation by the two parties of the relevant clause and terminology contained in the Farm – Out Agreement ("**FOA**"). The Partner is now seeking for the restitution of the subsidiary's 50% participating interest in the Los Blancos Concession, the removal of the subsidiary as the operator of Los Blancos Concession, and the request of payments for the potential disputed difference. The Group is of the view that, on the basis of the legal advice from the Group's internal counsel and the external solicitor, it is not probable that the claim from the Partner would lead to the restitution of the Group's 50% participating interest in Los Blancos Concession and removal as the operator, given that there is no actual breach of the FOA. The maximum exposure for the alleged claim in respect of the disputed farm-in cost is estimated at approximately US$180,000 (equivalent to approximately HK$1,404,000). No provision had been provided in respect of the potential disputed difference as at 30 June 2022, as the directors of the Company determined that the outflow of economic benefit in relation to the alleged claim is not probable and is dependent on the outcome of the arbitration process or out-of-court settlement.

21. EVENTS OCCURING AFTER THE REPORTING PERIOD

(i) Grant of share option

On 22 July 2022, 130,000,000 share options were granted to six directors of the Company.

(ii) Resumption of Beijing Gas Blue Sky Holdings Limited ("Blue Sky")

The Group had 357,637,761 ordinary shares of Blue Sky which was classified as financial assets at fair value through profit or loss and had a fair value of HK$10,700,000 as at 30 June 2022. On 25 July 2022, Blue Sky's shares have resumed trading on the Stock Exchange. With reference to the quoted price of Blue Sky on 25 July 2022, the fair value of the Group's investment in Blue Sky amounted to approximately HK$26,100,000.

MANAGEMENT DISCUSSION AND ANALYSIS

GENERAL REVIEW

The Group is pleased to report a profit after tax of HK$214.9 million for the six months ended 30 June 2022 (Six months ended 30 June 2021: loss after tax of HK$21.7 million).

The net profit in the interim was primarily attributable to the operating profits generated by NTE Energy Canada Ltd. ("**NTEC**"), the Group's wholly owned Canadian oil and gas subsidiary (comprising over 800 active wells, producing approximately 12,700 barrels of oil equivalent ("**boe**") per day, 95% natural gas), and higher energy commodity prices in the first half of 2022.

With the Group's oil and gas businesses generating strong and stable positive cashflows, the Group's financial position strengthened during the first half of the year. As at 30 June 2022, the Group cash and cash equivalent was HK$700.0 million (plus HK$119.4 million in financial assets at fair value through profit or loss and gold investments for a total of HK$819.4 million of highly liquid current assets) with no external borrowings. The rate of return on equity for the Group was 16.5% for the six months ended 30 June 2022.

Optimization programs to enhance production rates of NTEC's existing wells since the end of 2021 have demonstrated positive results in the first half of 2022, with the Group anticipating continued material increases in production, revenues and profits in the coming year. Drilling of NTEC's 6 development wells commenced in June 2022 which will further enhance the financial performance of the Group towards the fiscal year end of 2022.

As part of its business diversification strategy, the Group has made major commitments towards the introduction of vertical farming as well as the redevelopment of its industrial park in Campbell River, British Columbia, Canada. On 25 June 2022, the Group signed a definitive agreement with a wholly owned subsidiary of CubicFarm Systems Corp. (TSX:CUB) to purchase and manufacture 26 vertical farming modules (with the option for another 100 modules) at its 1,200 acres (4.9 km^2) Discovery Park site, the details of which are set out in the announcement of the Company dated 28 June 2022. When the vertical farming commences operations in 2023, the Group anticipates that over a million kilograms of green vegetables will be produced monthly to meet a fraction of the demand in the domestic Vancouver market.

In Argentina, the Group is experiencing a significant positive cash flow from operation, although the financial statements at local level still reflect a net deficit of approximately HK$17.7 million, due primarily to the effects of depreciation, foreign exchange losses and deferred tax charges. Monthly cash surpluses from the Argentina operation are being repatriated.

In the first half of 2022, the Group's commodities trading business (in particular its physical gold and silver trading) continued to perform solidly in terms of trade volumes. However, due to supply chain issues delaying the arrival and installation of specialized equipment for the Group's new precious metals refinery in Hong Kong, its commencement of operation is now pushed to October 2022. The Group is optimistic that the new refining business, once operational, will contribute to the profitability of the Group in 2023.

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. It is exploring ways to work with local authorities and governing bodies to achieve the common goal of net zero emissions, through eco-investment opportunities such as Blue & Green Hydrogen and Carbon Capture, Utilization and Sequestration ("**CCUS**").

CANADA

Operations Update

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

The Group's Canadian oil and gas assets, consisting over 800 active wells and spanning approximately 761,000 acres (3,080 km^2) of land, are situated in four locations in the Western Canadian Sedimentary Basin, namely Greater Sierra Area and Horn River Basin in the province of British Columbia (approximately 94.2% of NTEC's total Proved plus Probable reserves as of 31 December 2021), and Wapiti and Willesden Green in the province of Alberta.

During the six months ended 30 June 2022, NTEC's average daily oil and gas production was approximately 12,700 boe per day (95% natural gas) and the average realized price was C$38.7 per boe. Natural gas sales comprised 89% of NTEC's total revenue for the six months ended 30 June 2022. To further enhance production rates of existing wells and improve those wells that are underperforming, NTEC remapped the gathering system connecting all the wells and facilities in the Greater Sierra Area and initiated an optimization program of replacing old equipment, swabbing wells, and adjusting operational calibrations. At the same time, shut-in wells are being restarted with the improved economics associated with higher natural gas prices permitting. 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, and NTEC is already observing a material increase in production in 2022 to date.

Discovery Park

The Group 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 wastewater treatment facility, fresh water supply, and 2 deep water piers for dock usage and direct ocean water access.

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.

On 25 June 2022, the Group signed a definitive agreement with CubicFarm Systems Corp. (TSX:CUB) to set up vertical farming operations at Discovery Park. The Group will perform the manufacturing and fabrication of cold-formed steel framing for modular construction 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 and using indoor farming technologies, Discovery Park will contribute to redefining the way traditional agriculture is being carried out for certain food groups, by overcoming seasonal and climate constraints, and eliminating wasteful long supply chain agriculture that ultimately benefit the Western Canadian people, resources, and economy.

Capital Program and Future Development

Having obtained the licences from Alberta Energy Regulator and finalized the drilling and completion program, NTEC is currently embarking on its development well program which consists of drilling 3 two-mile-long lateral wells. 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$64.0 million) net to NTEC's working interests, which is expected to be brought on production by October 2022, so to take advantage of strong oil and gas prices over the winter season.

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, can achieve payback of the initial capital expenditure within 5 months and can 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 is 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 (approximately HK$43.9 million) net to NTEC's working interests and can achieve payback of the initial capital expenditure within 6 months. The 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 coalfired 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. Recently, the government of Canada released an updated carbon policy that will provide guidance and direction for CCUS initiatives that NTEC will be relying upon.

NTEC is currently working closely with Stantec Inc. on the redevelopment of Discovery Park. The redevelopment will include upgrading the current facilities as well as construction of new facilities to fulfil the Group's ESG mandate to turn the site into a green-tech hub. The redevelopment constructions will start in the second half of 2022, with an expected investment amount of no less than C$10.0 million (approximately HK$61.0 million) over the next 2 years, financed by NTEC's internal fundings.

NTEC also has begun the set-up of the vertical farming operations at Discovery Park. The set-up costs for the farming operations are approximately C$5.0 million (approximately HK$30.5 million), and targets for commercial operations in the first half of 2023.

ARGENTINA

Operations Update

Los Blancos

Operated by High Luck Group Limited ("**High Luck**"), the Group's wholly owned Argentinian branch office, 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) ("**Pampa**") 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.

During the six months ended 30 June 2022, Los Blancos continued to steadily produce light crude oil 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. To increase revenue and to concurrently help alleviate a general diesel shortage in the province of Salta, oil production at Los Blancos was increased from approximately 800 bbl to 1,200 bbl per day during the period.

While Northern Argentina continues to be dominated by one major refinery, Refinor (who exploits its position by offering the regions' oil producers less than market prices), High Luck was encouraged by its efforts to sell most of its Los Blancos oil production during the first half of 2022 to other refineries prepared to pay a higher and fairer price.

Despite crude oil prices in Argentina trending significantly below prevailing international prices, High Luck is consistently generating positive cashflow each month and financially self-sufficient. It has commenced repayment of intercompany borrowing/funding from Group by repatriating its cash surpluses.

Argentina challenges and outlook

During the first half of 2022, the Argentine Pesos ("**ARS**") devalued by approximately 21.7% from ARS102.69 per US$, to ARS125.04 per US$ by 30 June 2022, whilst accumulated inflation for the six-month period was 36.2%, compared to 25.3% for the same period in 2021.

Hyperinflation continues to grip Argentina, with forecasts anticipating annual inflation for the 2022 year to be approximately 90%. The consequence is economic hardship for a sizeable percentage of its population, which spills over in the form of sporadic social unrest, labour union demands, and political interference.

Furthermore, Argentina's stringent capital controls restrict the High Luck's ability to repatriate ARS cash surpluses, with the exception of the prohibitively costly "Blue Dollar Rate" option. As of 30 June 2022, the official exchange rate of US$ to Argentina Peso was US$1:ARS125.04, while the Blue Dollar Exchange Rate was US$1:ARS252.71.

With prolific oil production at Los Blancos, it is unfortunate that the Group is unable to fully realise the financial returns from High Luck, due to the above challenges that exist in Argentina, which are likely to persist at least until the country's next general election in October 2023. High Luck's adjusted EBITDA in the first half of 2022 was approximately HK$22.8 million, but suffered a net loss of approximately HK$17.7 million due to the effects of depreciation, foreign exchange losses and deferred tax charges. The Group's total exposure in Argentina is HK$86.6 million, i.e. 6.6% of total net assets of the Group as of 30 June 2022.

On 4 June 2021, Pampa initiated arbitration against High Luck over a dispute of approximately US$180,000 (equivalent to approximately HK$1,404,000) due to a difference in interpretation of the Farm-Out Agreement ("**FOA**") regarding farm-in cost. Amongst their claim, Pampa is seeking for the restitution of High Luck's 50% participating interest in the Los Blancos Concession, which is worth tens of millions of US$. The Group believes that the arbitration brought against High Luck by Pampa is frivolous, and the compensation sought is abusive, extreme and against the principle of the law of Argentina. Given that there is no actual breach of the FOA, the Group believes that the chances of success of Pampa's predatory attempt to take possession of High Luck's 50% participating interest via arbitration is remote. The Group is represented by the law firm, Marval, O'Farrell & Mairal.

COMMODITIES TRADING

Operating under the registered name of AC Precious Metals Refinery Ltd., the Group's physical precious metals trade business is jointly operated with an established and reputable intermediary in the gold trading business, 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 the six months ended 30 June 2022, the Group's physical gold and silver trade business managed a total trading volume of HK$9,813.7 million. However, net margin for the period was reduced by the fixed costs incurred from the delayed opening of the Group's new precious metals refinery in Hong Kong. Due to global supply chain issues, hindering the timely delivery and installation of specialized equipment at the plant, the target commencement date of operation for the Group's refinery of gold, silver and other precious metals is now deferred to October 2022.

Although the Group is disappointed and has been adversely affected by recent delays of equipment deliveries for the refinery, the Group believes the business of commodity trading of precious metals will restore to profitability, once the new gold and precious metals refinery is operational. By bringing the refining process in-house, the Group anticipates higher margins in the long term.

OUTLOOK FOR THE REST OF 2022 AND BEYOND

As recent global events have demonstrated, the necessity for stable energy sources like oil and gas while the world transitions to renewables will remain strong for the near and medium term. NTEC has an inventory of no less than 12 highly economic drilling locations within its lands that will augment existing cashflow in the near to mid-terms. The optimization program of the NTEC's existing wells will also have positive effects on the profitability and cashflow in the Group's oil and gas segment. The Group is particularly optimistic about the potential for involving in activities that will significantly reduce carbon emissions with a goal of achieving net-zero.

Furthermore, recent global supply chain disruptions validate the Group's decision to collaborate with CubicFarm Systems Corp. (TSX:CUB) to start up vertical farming operations at Discovery Park, which would provide localized food security. With pre-existing amenities including low-cost hydroelectricity, 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 develop and realize the full potential of Discovery Park as a hub for green technology.

While the start-up of the Group's precious metals refinery has been adversely affected by supply chain issues delaying the delivery of equipment to the plant, the Group believes commodities trading/refining of precious metals will prove to be a profitable and enduring business.

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

FINANCIAL REVIEW

The Group's revenue for the six months ended 30 June 2022 was approximately HK$10,402.77 million (2021 first half: approximately HK$4,928.64 million). The revenue derived from the sales of oil and gas products under the Group's oil exploration and production business for the six months ended 30 June 2022 was approximately HK$589.02 million (2021 first half: approximately HK$16.96 million). The increase in the revenue from the oil exploration and production business was mainly attributable to the contribution of the operational income from Canadian subsidiaries. The revenue derived from the general and commodities refinery and trading business for the six months ended 30 June 2022 was approximately HK$9,813.75 million (2021 first half: approximately HK$4,911.67 million). The increase in revenue derived from the general and commodities refinery and trading business was due to the significant demands on the gold as a result of military conflicts in Ukraine and the expansion on the gold trading business during the six months ended 30 June 2022.

The Group reported a gross profit of approximately HK$294.88 million (2021 first half: approximately HK$5.42 million) for the six months ended 30 June 2022. The significant increase in the gross profit by approximately HK$289.46 million was mainly resulted from the contribution of the operating profits of the Canadian subsidiaries driven by the surging commodity price during the six months ended 30 June 2022.

For the six months ended 30 June 2022, the Group recorded gains of approximately HK$1.04 million in other income, gains and losses, net (2021 first half: approximately HK$11.52 million). The decrease in other income, gains and losses, net was mainly resulted from an increase in net foreign exchange losses.

General and administrative expenses of the Group for the six months ended 30 June 2022 were approximately HK$53.60 million, representing an increase of approximately 99.6% as compared with the corresponding period in 2021 (2021 first half: approximately HK$26.85 million). The increase was mainly due to consolidating the Canadian subsidiaries' post-acquisition results.

The Group recognised net investment gain in respect of financial assets at fair value through profit or loss of approximately HK$1.02 million for the six months ended 30 June 2022 (2021 first half: loss of approximately HK$5.09 million), due to no further impairment on the investments held by the Group for the six months ended 30 June 2022.

Finance costs of the Group for the six months ended 30 June 2022 was approximately HK$14.29 million (2021 first half: approximately HK$4.28 million). The increase in the finance costs by approximately HK$10.01 million was mainly resulted from the imputed interests in provisions arising from the operations in Canada whereas partially offset by a decrease in the interests on borrowings.

Income tax expenses of the Group for the six months ended 30 June 2022 was approximately HK$14.17 million (2021 first half: approximately HK$2.40 million) due to the deferred tax charged for the six months ended 30 June 2022.

For the six months ended 30 June 2022, the Group recorded a profit attributable to the owners of the Company amounting to approximately HK$214.87 million whilst it was a loss attributable to the owners of the Company for the six months ended 30 June 2021 amounting to approximately HK$21.69 million, mainly as a result of operating profits of the Canadian subsidiaries.

Basic earnings per share for the six months ended 30 June 2022 was approximately HK2.45 cents (2021 first half: loss per share of approximately HK0.25 cent).

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2022 (2021 first half: 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$552.42 million had been used from the subscription date to 30 June 2022 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, 27 August 2018 and 26 March 2020. On 29 March 2022, the Company announced a change on its intended use of the unused balance of the 2016 Subscription Shares Proceeds, the details of which were set out in the announcement. As at 31 December 2021, the unused balance of the 2016 Subscription Shares Proceeds was approximately HK$20.44 million. The actual use of the 2016 Subscription Shares Proceeds during the six months ended 30 June 2022 was approximately HK$15.63 million for investment in short to medium term financial instruments and general administrative purposes. As at 30 June 2022, the total unused balance of 2016 Subscription Shares Proceeds was approximately HK$4.81 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$534.48 million had been used from the date of subscribing the open offer to 30 June 2022 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 announcements of the Company dated 27 August 2018, 26 March 2020, 29 April 2020 and 18 March 2021. As at 31 December 2021, the unused balance of the Open Offer Proceeds was approximately HK$268.22 million. The actual use of the Open Offer Proceeds during the six months ended 30 June 2022 was approximately HK$66.30 million for expansion of metal commodities trading. As at 30 June 2022, the unused balance of the Open Offer Proceeds was approximately HK$201.92 million.

The following table summarises the use of net proceeds for the 2016 Subscription Shares Proceeds and Open Offer Proceeds for the six months ended 30 June 2022:

	Unused amount of net proceeds as at 31 December 2021	**Change in use of proceeds on 29 March 2022**	**Actual use of net proceeds during the six months ended 30 June 2022**	**Unused amount of net proceeds as at 30 June 2022**
	HK$'million	*HK$'million (Note 1)*	*HK$'million*	*HK$'million*
2016 Subscription Share Proceeds				
– Argentina operational purposes	20.44	(20.44)	–	–
– Investment in short to medium term financial instruments and general administrative purposes	–	20.44	(15.63)	4.81 *(Note 2)*
Total	20.44	–	(15.63)	4.81
Open Offer Proceeds				
– Investment in oil and gas, power generation and renewable energy	161.70	–	–	161.70 *(Note 3)*
– Expansion of metal commodities trading	106.52	–	(66.30)	40.22 *(Note 4)*
Total	268.22	–	(66.30)	201.92

Notes:

1. The expected timeline in relation to the use of the unused amount of net proceeds as at 31 December 2021 for Argentina operational purposes depended on the Group's business, and oil and gas investment plans in Argentina, which were discussed in the section headed "Operations update" under Management Discussion and Analysis to the annual report of the Company for the financial year ended 31 December 2021. As disclosed in the announcement of the Company dated 29 July 2021, the unused amount of net proceeds for Argentina operational purposes was intended to be utilized on or before 31 December 2022.

   As disclosed in the announcement of the Company dated 29 March 2022, since the Group's wholly owned Argentina subsidiary continued to generate cash and be financially self-sufficient from its oil production in Los Blancos Concession, the Board of the Company had 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. Details of the change in use of proceeds are set out in the announcement of the Company dated 29 March 2022.

2. The unused amount of net proceeds as at 30 June 2022 is expected to be utilised on or before the year ending 31 December 2022.

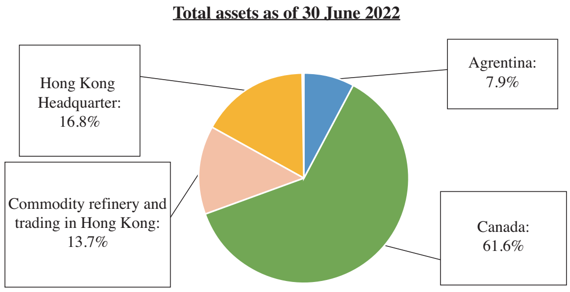
3. The unused amount of net proceeds as at 30 June 2022 is expected to be utilised on or before the year ending 31 December 2023. In the previous years, the Group investigated multiple investment opportunities, but had deferred utilising the proceeds due to inherent uncertainties that exist with the opportunities, regarding to the timing and outcome of negotiations with counterparties.

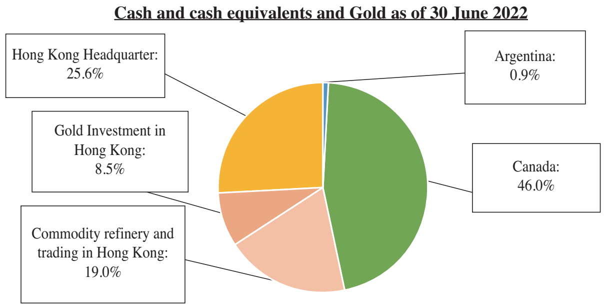
4. The unused amount of net proceeds as at 30 June 2022 is expected to be utilised on or before the year ending 31 December 2023.

The Group maintains 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 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 from price fluctuations on 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 30 June 2022, the Group's net current assets amounted to approximately HK$929.41 million (31 December 2021: approximately HK$684.14 million) and the Group had cash and cash equivalents of approximately HK$700.05 million (31 December 2021: approximately HK$494.96 million). The highly liquid assets, including cash and cash equivalents and gold investment, were approximately HK$765.33 million (31 December 2021: approximately HK$561.04 million).





Cash and cash equivalents of the Group as at 30 June 2022 were mainly denominated in Hong Kong Dollar, United States Dollar, Canadian Dollar, Argentine Peso and Renminbi.

As at 30 June 2022, total equity of the Group was approximately HK$1,305.54 million (31 December 2021: approximately HK$1,101.48 million). Net asset value per share equated to approximately HK$0.15 (31 December 2021: approximately HK$0.13). Debt ratio, calculated as total liabilities divided by total assets, was approximately 33.3% (31 December 2021: 36.6%).

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

Borrowings

As at 30 June 2022, the Group did not have unsecured debt securities and unsecured short-term loan (31 December 2021: Nil).

Gearing Ratio

As at 30 June 2022, gearing ratio, calculated on the basis of interest bearing borrowings divided by total equity, was approximately 0% (31 December 2021: 0%).

Charge on Assets

As at 30 June 2022, the Group did not have any charge on its assets (31 December 2021: Nil).

Contingent Liabilities

As at 30 June 2022, save as disclosed in Note 20 to this announcement, the Group did not have any material contingent liabilities (31 December 2021: Nil).

Capital Commitments

As at 30 June 2022, details of the capital commitments of the Group are set out in Note 19 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 and natural gas 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, natural gas 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 30 June 2022, the Group employed a total of 117 (31 December 2021: 99) permanent employees in Hong Kong, Canada, Argentina and China. Total employee remuneration (including directors' remuneration and benefits) for the six months ended 30 June 2022 was amounted to approximately HK$34.27 million (2021 first half: approximately HK$8.02 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 are 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 Note 20 to this announcement, there was no material or significant dispute between the Group and its suppliers, customers and/or stakeholders during the period.

Material Acquisitions and Disposals

The Group has neither material acquisitions nor disposals of subsidiaries, associated companies, and joint ventures during the six months ended 30 June 2022.

Significant Investments

As at 30 June 2022, the Group held financial assets at fair value through profit or loss and gold investment in gold bullion amounting to approximately HK$54.04 million and approximately HK$65.28 million respectively, of which none constituted significant investment of the Group as no single investment of the Group accounted for more than 5% of the Group's total assets.

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

As at 30 June 2022, the Group's financial assets at fair value through profit or loss comprised of (a) listed equity securities and (b) listed and unlisted debt securities amounting to approximately HK$29.95 million and approximately HK$24.09 million, respectively.

As at 30 June 2022, details of the listed equity securities are set out below:

Name of company/Investment	**Principal business**	**Fair value at 30 June 2022**	**Net fair value (gains)/loss for the six months ended 30 June 2022**
		HK$'million	*HK$'million*
Beijing Gas Blue Sky Holdings Limited (Stock code: 6828) *(Note (ii))*	Sales and distribution of natural gas and other products	10.70	– *(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	3.87	(0.07) *(Note (i))*
China Overseas Land & Investment Ltd. (Stock code: 688)	Property development and investment and other operation	8.89	(2.27) *(Note (i))*
JD Health International Inc. (Stock code: 6618)	The online healthcare platform and online retail pharmacy in China	3.76	(0.01) *(Note (i))*
Xiaomi Corporation (Stock code: 1810)	Development and sales of smartphone, internet of things and lifestyles products, provision of services	2.73	1.05 *(Note (i))*
		29.95	(1.30)

Note:

(i) The amounts represented (gains)/losses arising from the change in fair value for the six months ended 30 June 2022.

(ii) Beijing Gas Blue Sky Holdings Limited ("**Blue Sky**") 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 as at 31 December 2021 was determined by valuation conducted by the independent professional valuer. The fair value was estimated based on the latest market bid price before suspension, adjusted by the share price fluctuation of comparable companies, and applied discounts for lack of marketability by considering the probability of delisting. The management of the Group considered there was no material change on the fair value of the shares between 31 December 2021 and 30 June 2022.

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

At as 30 June 2022, the Group held an investment of debt securities listed in overseas with fair value of approximately HK$652,000 and an investment of unlisted debt securities in PRC with the fair value of HK$23.44 million. The carrying value for each investment was less than 5% of the total assets of the Group.

For the six months ended 30 June 2022, the Group recognised a net investment gain of approximately HK$1.02 million, which comprised of interest income of approximately HK$1.73 million and a loss arising from the change in fair value of approximately HK$0.71 million, on those investments in the condensed consolidated statement of profit or loss.

(ii) Gold investment

As at 30 June 2022, the Group held gold bullion with a fair value of approximately HK$65.28 million. For the six months ended 30 June 2022, the Group recognised a loss arising from the change in fair value of approximately HK$0.80 million on gold bullion which was offset by the hedging gains on derivative financial instruments for the gold bullion amounting to approximately HK$1.10 million. The purpose of holding gold bullion is to achieve capital appreciation. Historically, gold has been an effective inflation proofing commodity.

The Group had adopted a prudent investment strategy for surplus funds, aiming at maximizing the returns on idle capital. With the recent improvement on the capital market, the above investment can achieve the purpose set out in the investment strategy.

EVENTS AFTER THE REPORTING PERIOD

On 22 July 2022, a total of 130,000,000 share options were granted to the directors of the Company under the Share Option Scheme. Please refer to the Company's announcement dated 22 July 2022 for further details.

In addition to the disclosures, in the paragraph headed "Significant Investments", the Group had 357,637,761 ordinary shares of Blue Sky which was classified as financial assets at fair value through profit or loss and had a fair value of HK$10,700,000 as at 30 June 2022. On 25 July 2022, Blue Sky's shares have resumed trading on the Stock Exchange. With reference to the quoted price of Blue Sky on 25 July 2022, the fair value of the Group's investment in Blue Sky amounted to approximately HK$26,100,000.

Save as disclosed above, the Group does not have any material subsequent events after 30 June 2022 and up to the date of this announcement.

CHANGES IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51B(1) of the Rules Governing the Listing of Securities ("**Listing Rules**") on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), the changes in information of Directors are set out below:

Mr. Victor HUANG was appointed as an independent non-executive director, the chairman of the audit committee and a member of the remuneration committee of Beijing Enterprises Clean Energy Group Limited (a company listed on the Stock Exchange with stock code 1250) on 19 May 2022.

Save for the information disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

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 all the applicable code provisions of the CG Code and adopted the recommended best practices of the CG Code insofar as they are relevant and practicable for the six months ended 30 June 2022.

SHARE OPTION SCHEME

At the annual general meeting of the Company held on 23 June 2022, the Shareholders approved the adoption of a new share option scheme (the "**Share Option Scheme**") in place of the old share option scheme adopted on 17 May 2011 (the "**Old Scheme**"). No further share options may be granted under the Old Scheme upon its termination and share options granted and unexercised prior to such termination shall continue to be valid and exercisable in accordance with the provisions of the Old Scheme.

During this reporting period, no share option had been granted, exercised, cancelled or lapsed under the Share Option Scheme.

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 each of the Directors have confirmed that they have complied with the required standards as set out in the Model Code throughout the six months ended 30 June 2022.

REVIEW OF INTERIM RESULTS

The interim results of the Group for the six months ended 30 June 2022 have been reviewed by the audit committee of the Company. The unaudited interim financial information as of and for the six months ended 30 June 2022 has been reviewed by PricewaterhouseCoopers in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Hong Kong Institute of Certified Public Accountants.

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 noncompliance 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 2022 (2021: 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 2022 containing all the information required by the Listing Rules shall be dispatched to the Shareholders and made available on the aforementioned websites in due course.

APPRECIATION

On behalf of the Board, I would like to thank all of our management team members and staff for their commitment and contributions. I also greatly appreciate the continued support of our Shareholders, investors, business partners, bankers, customers and suppliers. We shall be grateful for your continuing trust and support in the years to come.

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

Hong Kong, 26 August 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

* *For identification purposes only*