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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 2022

FINANCIAL HIGHLIGHTS

	Year ended 31 December 2022	Year ended 31 December 2021
	HK$'000	*HK$'000*
Revenue	**20,913,216**	11,167,076
Profit before taxation	**300,705**	343,636
Profit for the year	**285,902**	329,403
	HK cent	*HK cent*
Earnings per share – Basic	**3.26**	3.76

The Board does not recommend the payment of any final dividend for the year ended 31 December 2022 (2021: Nil).

* *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 2022, together with the comparative figures for the year ended 31 December 2021.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2022

	Note	**2022** **HK$'000**	2021 HK$'000
Revenue	*3*	**20,913,216**	11,167,076
Cost of sales	*6*	**(20,491,757)**	(11,076,418)
Gross profit		**421,459**	90,658
Other income and net gains and losses	*4*	**12,965**	10,045
Net investment income/(loss)	*5*	**24,941**	(40,941)
Gain on bargain purchase		**–**	407,655
General and administrative expenses	*6*	**(130,865)**	(109,849)
Finance costs	*7*	**(27,791)**	(13,927)
Share of losses of joint ventures		**(4)**	(5)
Profit before taxation		**300,705**	343,636
Income tax expense	*8*	**(14,803)**	(14,233)
Profit for the year		**285,902**	329,403
Profit/(loss) attributable to:			
Owners of the Company		**285,905**	329,401
Non-controlling interests		**(3)**	2
		285,902	329,403
Earnings per share attributable to owners of the Company (expressed in HK cents per share)	*10*		
Basic		**3.26**	3.76
Diluted		**3.26**	3.76

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

	2022	2021
	HK$'000	*HK$'000*
Profit for the year	**285,902**	329,403
Other comprehensive (loss)/income 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	**(8)**	2
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	**(134,309)**	(33,728)
Other comprehensive loss for the year, net of tax	**(134,317)**	(33,726)
Total comprehensive income for the year	**151,585**	295,677
Total comprehensive income/(loss) attributable to:		
Owners of the Company	**151,588**	295,675
Non-controlling interests	**(3)**	2
	151,585	295,677

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2022

	Note	2022 HK$'000	2021 HK$'000
Non-current assets			
Exploration and evaluation assets		**–**	–
Property, plant and equipment		**961,674**	845,610
Investments in joint ventures		**932**	936
Financial assets at fair value through other comprehensive income		**2**	10
Prepayments, deposits and other receivables	*11*	**17,579**	6,220
		980,187	852,776
Current assets			
Inventories		**111,473**	44,196
Trade and other receivables	*11*	**166,684**	196,617
Current tax recoverable		**–**	196
Financial assets at fair value through profit or loss	*12*	**55,913**	81,528
Gold investment	*13*	**–**	66,082
Cash and bank balances		**851,171**	494,955
		1,185,241	883,574
Current liabilities			
Trade and other payables	*14*	**237,046**	122,538
Lease liabilities		**8,097**	7,479
Derivative financial instruments		**4,581**	2,354
Provisions		**80,109**	66,019
Income tax payable		**–**	1,040
		329,833	199,430
Net current assets		**855,408**	684,144
Total assets less current liabilities		**1,835,595**	1,536,920

	Note	2022 HK$'000	2021 HK$'000
Non-current liabilities			
Lease liabilities		**21,004**	23,505
Deferred tax liabilities		**59,792**	46,221
Provisions		**433,162**	365,713
		513,958	435,439
Net assets		**1,321,637**	1,101,481
Equity			
Equity attributable to owners of the Company			
Share capital	*15*	**88,089**	87,589
Reserves		**1,233,600**	1,013,941
		1,321,689	1,101,530
Non-controlling interests		**(52)**	(49)
Total equity		**1,321,637**	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. The principal activities of the Company's subsidiaries are exploration, development, production and sale of oil and gas, and general and commodities refinery and trading. The Company and its subsidiaries are collectively referred to the "**Group**".

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 2022 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 2022:

Annual improvements to HKFRSs 2018-2020
Amendments to HKFRS 3, HKAS 16 and HKAS 37 Narrow-scope Amendments
Amendment to HKFRS 16 Covid-19 Related Rent Concessions beyond 2021
Revised Accounting Guideline 5 Merger Accounting for Common Control Combinations

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 standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for the year ended 31 December 2022 and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

3. REVENUE AND 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 revenue, segment results, segment assets and segment liabilities for the purposes of allocating resources and assessing performance. These reports are prepared on the same basis as these consolidated financial statements.

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

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

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

Segment results represents the profit or loss resulted from each segment without allocation of share of losses of joint ventures, gain on bargain purchase, unallocated interest income and expenses and other corporate expenses. Segment assets include all the assets with the exception of investments in joint ventures, financial assets at FVOCI and unallocated corporate assets. Segment liabilities include all the liabilities with the exception of deferred tax liabilities and unallocated corporate liabilities. 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 for the years ended 31 December 2022 and 2021.

(i) Segment results, assets and liabilities

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 commodities refinery and trading**		**Total**	
	2022	2021	**2022**	2021	**2022**	2021
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Reportable segment revenue *(Note)*	**1,002,555**	259,633	**19,910,661**	10,907,443	**20,913,216**	11,167,076
Reportable segment results	**309,173**	44,499	**3,935**	2,859	**313,108**	47,358
Depreciation and amortisation	**(129,336)**	(36,394)	**(2,491)**	(272)	**(131,827)**	(36,666)
Gains on derivative financial instruments	**–**	2,566	**964**	7,725	**964**	10,291
Fair value losses on gold investment	**–**	–	**(989)**	(2,507)	**(989)**	(2,507)
Interest income	**5,621**	2,595	**464**	38	**6,085**	2,633
Interest expenses	**(27,173)**	(9,006)	**(452)**	(250)	**(27,625)**	(9,256)
Capital expenditure	**197,324**	5,983	**3,752**	7,485	**201,076**	13,468
Reportable segment assets	**1,531,409**	1,216,226	**331,866**	336,425	**1,863,275**	1,552,651
Reportable segment liabilities	**(685,457)**	(510,321)	**(40,600)**	(18,527)	**(726,057)**	(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 year. All of the Group's revenue is recognised at a point in time.

(ii) Reconciliation of reportable segment results, assets and liabilities

	2022	2021
	HK$'000	*HK$'000*
Results		
Reportable segment results	**313,108**	47,358
Unallocated interest income	**1,545**	750
Unallocated interest expenses	**(166)**	(4,671)
Gain on bargain purchase	**–**	407,655
Other corporate expenses	**(37,491)**	(65,170)
Share of losses of joint ventures	**(4)**	(5)
Unallocated net investment income/(loss)	**23,713**	(42,281)
Profit before taxation	**300,705**	343,636

	2022	2021
	HK$'000	*HK$'000*
Assets		
Reportable segment assets	**1,863,275**	1,552,651
Investments in joint ventures	**932**	936
Financial assets at FVOCI	**2**	10
Unallocated corporate assets:		
– Cash and bank balances	**240,912**	148,629
– Financial assets at FVPL	**54,275**	31,051
– Other receivables	**3,026**	3,021
– Others	**3,006**	52
Consolidated total assets	**2,165,428**	1,736,350

	2022	2021
	HK$'000	*HK$'000*
Liabilities		
Reportable segment liabilities	**726,057**	528,848
Deferred tax liabilities	**59,792**	46,221
Unallocated corporate liabilities:		
– Deposit received	**44,994**	44,994
– Unallocated lease liabilities	**2,891**	3,601
– Others	**10,057**	11,205
Consolidated total liabilities	**843,791**	634,869

(iii) Geographical information

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.

	Revenues from external customers		**Specified non-current assets**	
	2022	2021	**2022**	2021
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**19,910,661**	10,824,703	**29,602**	13,807
Canada	**900,845**	212,665	**872,470**	718,292
Mainland China	**–**	82,740	**–**	233
Argentina	**101,710**	46,968	**78,113**	120,434
	20,913,216	11,167,076	**980,185**	852,766

(iv) Disaggregation of revenue

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

	2022	2021
	HK$'000	*HK$'000*
Revenue from contracts with customers within the scope of HKFRS 15		
– Refinery and sales of precious metals under general and commodities trading	**19,910,661**	10,824,703
– Sales of petroleum-related products under general and commodities trading	**–**	82,740
– Sales of oil and gas products under oil and gas exploration and production	**1,002,555**	259,633
	20,913,216	11,167,076

Revenue from major customers who have individually contributed 10% or more of the total revenue of the Group for the year ended 31 December 2022 are disclosed as follows:

	2022	2021
	HK$'000	*HK$'000*
Customer 1	**3,895,628**	2,550,295
Customer 2	**2,724,304**	761,153
Customer 3	**2,271,307**	3,091,846

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

4. OTHER INCOME, GAINS AND LOSSES, NET

	2022	2021
	HK$'000	*HK$'000*
Bank interest income	**7,630**	3,383
Drilling service income	**1,507**	1,289
Gains on derivative financial instruments	**963**	10,291
Fair value losses on gold investment	**(989)**	(2,507)
Hyperinflation monetary adjustments *(Note)*	**19,311**	5,870
Net foreign exchange losses	**(27,410)**	(8,236)
Trading revenue	**2,008**	–
Rental income	**6,906**	5,830
Loss on disposal of property, plant and equipment	**–**	(4,218)
Others	**3,039**	(1,657)
	12,965	10,045

Note:

In May 2018, the Argentine peso ("**ARS**") 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 HK$19,311,000 (2021: HK$5,870,000) was recognised in the consolidated statement of profit or loss.

5. NET INVESTMENT INCOME/(LOSS)

	2022	2021
	HK$'000	*HK$'000*
Net income/(losses) in listed equity securities	**23,649**	(35,675)
Net income/(losses) in listed and unlisted debt securities	**64**	(5,904)
Others	**1,228**	638
	24,941	(40,941)

6. EXPENSES BY NATURE

Profit before taxation has been arrived after charging the following items:

	2022	2021
	HK$'000	*HK$'000*
Cost of inventories recognised as expense	**20,321,737**	11,036,303
Processing charges	**7,304**	10,472
Depreciation of property, plant and equipment	**132,594**	37,558
Employee benefit expenses (including directors' remuneration)	**102,578**	30,985
Auditor's remuneration		
– Audit services	**3,295**	1,900
– Non-audit services	**699**	2,470
Legal, professional and transaction-related expenses	**21,417**	48,157
Others	**32,998**	18,422
Total cost of sales and general and administrative expenses	**20,622,622**	11,186,267

7. FINANCE COSTS

	2022	2021
	HK$'000	*HK$'000*
Interest on borrowings	**–**	4,462
Interest on lease liabilities	**1,589**	675
Imputed interest on provisions	**26,164**	8,790
Others	**38**	–
	27,791	13,927

8. INCOME TAX

	2022	2021
	HK$'000	*HK$'000*
Current tax		
Provision for the year	**3**	11
Overprovision in prior year	**(1,040)**	–
	(1,037)	11
Deferred tax		
Charged to the profit or loss	**15,840**	14,222
	14,803	14,233

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 year.

Hong Kong profits tax has been provided for at the rate of 16.5% for the year ended 31 December 2022 (2021: 16.5%) on the estimated assessable profit for the year. No provision for Hong Kong profits tax has been made for the year ended 31 December 2022 as the Group's operations in Hong Kong had no assessable profits.

Subsidiaries of the Group in Argentina are subject to Argentina corporate income tax ("**AIT**") at 35% (2021: 35%) and minimum presumed income tax ("**MPIT**"). MPIT is supplementary to AIT and is chargeable at the applicable tax rate of 35% (2021: 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% (2021: 38%) together with the federal abatement of 10% (2021: 10%) and general rate reduction or manufacturing and processing deduction of 13% (2021: 13%), the net federal tax rate is 15% (2021: 15%). With the provincial and territorial CCITs range from 8% (Alberta) (2021: 8%) to 12% (British Columbia) (2021: 12%), the aggregate tax rate ranged from 23% to 27% (2021: 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.

9. DIVIDENDS

The Board does not recommend the payment of any final dividend for the year ended 31 December 2022 (2021: Nil).

10. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the Group's profit attributable to owners of the Company of HK$285,905,000 (2021: HK$329,401,000) and weighted average number of ordinary shares in issue during the year of approximately 8,780,799,000 shares (2021: 8,758,881,000 shares).

(b) Diluted earnings per share

For the years ended 31 December 2022 and 2021, basic and diluted earnings per share were the same as there were no potentially dilutive ordinary shares in issue during the year.

11. TRADE AND OTHER RECEIVABLES

	2022 ***HK$'000***	2021 *HK$'000*
Trade receivables *(Notes (b) and (c))*	**103,867**	124,786
Other debtors	**10,102**	8,430
Deposits	**38,962**	31,625
Amount due from a joint venture *(Note (d))*	**582**	577
Financial assets measured at amortised cost	**153,513**	165,418
VAT recoverable	**2,298**	3,485
Other tax recoverable	**19,190**	30,427
Other prepayments	**9,262**	3,507
	184,263	202,837
Reconciliation to the consolidated statement of financial position:		
Non-current	**17,579**	6,220
Current	**166,684**	196,617
	184,263	202,837

Notes:

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

(b) Trade receivables are due within 30 to 90 days (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, is as follows:

	2022	2021
	HK$'000	*HK$'000*
0 – 30 days	**88,107**	88,155
31 – 60 days	**422**	184
61 – 90 days	**1,423**	543
Over 90 days	**13,915**	35,904
	103,867	124,786

(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

	2022	2021
	HK$'000	*HK$'000*
Listed equity securities *(Note (a))*	**54,275**	28,650
Listed debt securities *(Note (b))*	**–**	2,401
Unlisted debt securities *(Note (b))*	**–**	36,789
Unlisted fund	**1,638**	13,688
	55,913	81,528

Note:

(a) The listed equity securities represent listed shares on the Stock Exchange and are stated at fair value. Net investment income of approximately HK$23,649,000 (2021: loss of HK$35,675,000) has been recognised in profit or loss during the year ended 31 December 2022.

(b) During the year ended 31 December 2022, the Group had two listed debt securities that were in default as the issuers failed to repay the debts upon maturity. These debt securities with an aggregated face value amounted to HK$11,000,000 were valued at HK$2,401,000 as at 31 December 2021. As at 31 December 2022, the Group determined these debt securities were of no commercial value and valued at HK$Nil. The unlisted debt security with a fair value amounted HK$36,789,000 as at 31 December 2021 were fully recovered during the year ended 31 December 2022 without any losses.

13. GOLD INVESTMENT

	2022	2021
	HK$'000	*HK$'000*
Gold held for investment, at fair value	**–**	66,082

As at 31 December 2021, the Group held physical gold bullions which 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. Fair value loss of HK$989,000 (2021: HK$2,507,000) has been recognised in consolidated statement of profit or loss during the year ended 31 December 2022. The physical gold bullions have been disposed of during the year ended 31 December 2022.

14. TRADE AND OTHER PAYABLES

	2022	2021
	HK$'000	*HK$'000*
Trade payables *(Note (b))*	**21,434**	17,987
Other creditors and accrued charges *(Note (c))*	**188,287**	100,072
Financial liabilities measured at amortised cost	**209,721**	118,059
Other tax payables	**7,226**	4,085
Contract liabilities	**20,099**	394
	237,046	122,538

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:

	2022	2021
	HK$'000	*HK$'000*
0 – 30 days	**13,392**	13,695
31 – 60 days	**2,837**	2,745
61 – 90 days	**2,105**	143
Over 90 days	**3,100**	1,404
	21,434	17,987

(c) Included in other creditors and accrued charges is a deposit of HK$44,994,000 (2021: 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

	2022		2021	
	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				
Ordinary shares of HK$0.01 each	**8,758,881**	**87,589**	8,758,881	87,589
Shares issued under share option scheme	**50,000**	**500**	–	–
At 31 December				
Ordinary shares of HK$0.01 each	**8,808,881**	**88,089**	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

	2022	2021
	HK$'000	*HK$'000*
Authorised but not contracted for	**124,956**	124,763
Authorised and contracted for	**13,700**	–
	138,656	124,763

MANAGEMENT DISCUSSION AND ANALYSIS

GENERAL REVIEW

The Group is pleased to report a profit after tax of HK$285.9 million for the 2022 year (2021: HK$329.4 million).

The net profit was mainly attributable to NTE Energy Canada Ltd. ("**NTEC**"), the Group's wholly owned Canadian oil and gas subsidiary and robust energy commodity prices in the former part of 2022. NTEC comprises of over 800 active wells, producing approximately 11,500 barrels of oil equivalent ("**boe**") per day, 95% natural gas.

With the Group's oil and gas businesses generating strong and stable positive cashflows during the 2022 year, the Group's financial position continued to further strengthen. As at 31 December 2022, the Group had no external borrowings (2021: Nil) and approximately HK$907.1 million (2021: HK$642.6 million) of highly liquid current assets, which consisted of cash and bank balances of approximately HK$851.2 million (2021: HK$495.0 million) and approximately HK$55.9 million (2021: HK$147.6 million) in financial assets at fair value through profit or loss and gold investments. The rate of return on equity for the Group was 21.6% (2021: 29.9%) for the year ended 31 December 2022.

Optimization programs to enhance production rates of NTEC's existing wells since the end of 2021 have contributed positively to the Group's financial performance for the fiscal year ended 2022. Together with the drilling and completion of six unconventional wells operated by NTEC and minority participation in three other unconventional wells in the second half of 2022, the Group sees further increases in production of approximately 1,150 barrels per day in early 2023.

As part of its business diversification strategy, the Group has made significant progress towards the redevelopment of its 1,200 acres (4.9 km^2) Discovery Park site at Campbell River, British Columbia, Canada. In addition to vertical farming, where the Group aims to enter and capture a fraction of the Vancouver market for green vegetables before the end of 2023, the Group is also marketing and in discussions with several possible major new tenants. Early concept proposals under consideration include transforming Discovery Park into a green technology industrial hub which may consist of an inland aquaculture facility, liquid hydrogen production plant and a renewable natural gas facility.

In Argentina where the domestic oil price is approximately 25% below Brent, the Group managed to record an adjusted EBITDA of approximately HK$51.2 million (2021: HK$14.9 million). Due to the challenging political and economic environment of doing business in Argentina, the Group's treasury policy is to monthly repatriate any cash surpluses from its Argentina operation.

During 2022, the Group's commodities trading business (in particular its physical gold and silver trading) continued to perform solidly with stable trade volumes. However, due to supply chain issues delaying the arrival and installation of specialised equipment for the Group's new precious metals refinery in Hong Kong, the commencement of precious metal refining operation is now deferred to the second quarter of 2023 year. The Group is optimistic that the new refining business, once operational, will enhance overall profitability of the Group.

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 actively 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), together with Wapiti and Willesden Green in the province of Alberta.

The four locations in total are estimated to contain Proved (1P) reserves of 26.1 million boe (2021: 30.2 million boe) and Proved plus Probable (2P) reserves of 34.1 million boe (2021: 40.0 million boe), attributable to the Group.

During 2022, NTEC's average daily oil and gas production was approximately 11,500 boe per day (95% natural gas) and the average realised price was C$35.2 per boe. Both the production and the price of gas saw a temporary decline in the third quarter of 2022, due to maintenance of externally controlled pipelines, and local market conditions. Natural gas sales comprised 85% of NTEC's total revenue for the year. 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 were restarted with the improved economics associated with higher natural gas prices permitting. An elaborate computer modelling of the reservoir/production system was undertaken to assist in the optimization process. The program was initiated in the fourth quarter of 2021, and NTEC is benefitting from the initiative with an observed material increase in production in 2022.

Between July and December 2022, NTEC successfully drilled and completed six unconventional wells at Willesden Green free of any health and safety incidents.

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$0.05/kWh. Additional facilities include a solid industrial waste landfill to handle hazardous substance disposal needs, a complimentary wastewater treatment facility, fresh water supply, and two 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 is working on redeveloping 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, green hydrogen, as well as renewable natural gas 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) ("**CubicFarm**") to set up vertical farming operations at Discovery Park where the Group would undertake the manufacturing and fabrication of cold-formed steel framing for modular units on site. Due to CubicFarm running into recent financial difficulties, the Group is finalising a feasibility study to develop and operate its own vertical farming system, with the aim of capturing a fraction of the Vancouver market for green vegetables before the end of 2023.

The Group is actively seeking to partner with well-known and established ag-tech companies both in Canada and globally to provide efficient, localised 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

The Group firmly 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.

NTEC is working on the redevelopment of Discovery Park. The redevelopment will include rezoning the landmarks to increase the area available for industrial purposes, and to increase the overall density of occupant for the entire site, upgrading the current facilities and the construction of new facilities to fulfil the Group's ESG mandate to turn the site into a green-tech hub. The Group recently received three significant proposals to develop Discovery Park into an inland aquaculture facility capable of producing Atlantic salmon, hosting a liquid hydrogen plant capable of producing 60 tonnes of hydrogen daily, and building out a renewable natural gas facility to utilise the abundant supply of biomass in the area. The Group has received letters of intent for all three proposals, and negotiations and feasibility studies are ongoing with the prospective tenants.

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 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 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. Due to positive well behaviour, the Group subsequently increased oil production to 1,350 bbl per day from September 2022.

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 to other refineries prepared to pay a higher and fairer price during the year.

Despite crude oil prices in Argentina trending approximately 25% below prevailing Brent, High Luck is generating positive cashflow and financially self-sufficient. Monthly cash surplus is repatriated to the Group's head office for reinvestment.

High Luck's adjusted EBITDA for the 2022 year was approximately HK$51.2 million (2021: HK$14.9 million), but suffered a net loss of approximately HK$16.4 million (2021: HK$19.9 million) due to the effects of depreciation, foreign exchange losses and deferred tax charges.

Argentina challenges and outlook

During 2022, the Argentine Pesos ("**ARS**") devalued by approximately 71.7% from ARS102.69 per US$, to ARS176.36 per US$ by 31 December 2022, whilst annual inflation reached a record breaking 94.8% in 2022, compared to 50.9% for the 2021 year.

Hyperinflation continues to grip Argentina. 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. High Luck's oil deliveries in December 2022 were partially affected by roadblocks demonstrating against its government.

Furthermore, Argentina's stringent capital controls restrict the High Luck's ability to repatriate ARS cash surpluses, except for the prohibitively costly "Blue Dollar Rate" option. As of 31 December 2022, the official exchange rate of US$ to Argentina Peso was US$1:ARS176.36, while the Blue Dollar Exchange Rate was US$1:ARS341.22.

Despite prolific oil production at Los Blancos which is amongst one of the best single producing conventional wells in Argentina, 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.

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 laws 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.

Additionally, the provincial authorities of Salta are exerting pressure on High Luck to drill another development well at Los Blancos before the end of 2023, or face risk of possible sanctions of the concession. However, based on independent specialists' advice (geological, geophysical and petrophysical) from international and Argentine renowned oil & gas consultants, the clear conclusion was that it was uneconomic to drill a development well. Besides commerciality, drilling a development well risks curtailing life of Los Blancos and the optimal volume of recoverable oil.

The Group's total exposure in Argentina is approximately HK$24.2 million, i.e. 2% of total net assets of the Group as of 31 December 2022.

COMMODITIES TRADING

Operating under the registered name of AC Precious Metals Refinery Limited, 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 2022, the Group's physical gold and silver trade business managed a total trading volume of approximately HK$19,910.7 million (2021: HK$10,824.7 million). However, net margin for the year 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 specialised 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 the second quarter of 2023 year.

Although the Group is disappointed by the delayed commencement date of its new refinery, the Group believes the business of commodity trading of precious metals will restore higher profitability, once the gold and precious metals refining business is operational. By bringing the refining process in-house, the Group anticipates higher margins in the long term.

OUTLOOK FOR 2023 AND BEYOND

As recent global events have demonstrated, the demand for stable energy sources like oil and gas will remain strong for the near and medium term. As the world accelerates towards a low carbon economy, the Group is embarking on its transition journey to transform its 1,200 acres (4.9 km^2) Discovery Park site into a green energy and ecosystem hub. The Group's vision is to develop and attract industries including hydrogen, bio-fuel production, vertical farming, and aquaculture to create a circular economy at Discovery Park, where the by-products generated by one business activity forms the production input for other corresponding business activities. By redeveloping Discovery Park into a green energy and ecosystem hub, the Group can create economic value by reducing waste, and contribute to better sustainability, climate protection and resource efficiency.

Recent global supply chain disruptions further validate the Group's decision to continue evaluating its plan to setup vertical farming operations at Discovery Park, which would provide localised 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 realise the full potential of Discovery Park as a hub for green technology. The Group is enthused by the level of interest by potential tenants looking to locate to Discovery Park, especially the three significant proposals to develop the site into an inland aquaculture facility, liquid hydrogen production plant and renewable natural gas facility.

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 involvement in activities that will significantly reduce carbon emissions with a goal of achieving net zero.

While the start-up of the Group's precious metals refinery has been 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 stable business.

With a strong financial position and positive cash flow expected from across the Group's operations, the Group is prepared and excited about its ability to create long term value for its shareholders.

FINANCIAL REVIEW

The Group's revenue for the year ended 31 December 2022 amounted to HK$20,913.2 million (2021: HK$11,167.1 million), of which HK$1,002.6 million of the total revenue were derived from sales of oil and gas products in the upstream business (2021: HK$259.6 million) and the remaining HK$19,910.7 million were from the sales in the general and commodities refinery and trading business (2021: HK$10,907.4 million). Sales from oil and gas products increased by more than threefold as compared to last year is mainly from the full year consolidation effect of the Canadian operation since its acquisition in 2021, as well as the robust energy commodity prices in the former part of 2022. Sales in the general and commodities refinery and trading business also increase by close to onefold as the Group continued to expand the gold trading business.

Gross profit for the year was HK$421.5 million (2021: HK$90.7 million) which mainly contributed by the Canadian operations and the strong energy commodity prices during the year.

A net investment gain of HK$24.9 million were recognised during the year from the Group's investments in financial assets at fair value through profit or loss (2021: loss of HK$40.9 million), as the performance of certain investments in listed equity securities have recovered during 2022.

General and administrative expenses for the year were HK$130.9 million, an increase of HK$21.1 million as compared to last year of HK$109.8 million mainly from full year consolidation effect of the Canadian operations, partially offset by savings in one-time transaction costs related to the acquisition of the Canadian operations in 2021.

Finance costs for the year were HK$27.8 million, which represented imputed interest from lease liabilities and provisions, increased by approximately one-fold as compared to last year of HK$13.9 million from the full year consolidation effect of the Canadian operations.

Income tax expenses for the year were HK$14.8 million (2021: HK$14.2 million), mainly arising from adjustments in deferred tax charges in Argentina.

Profit attributable to the owners of the Company amounted to HK$285.9 million for the year (2021: HK$329.4 million). Basic and diluted earnings per share for the year were 3.26 HK cents as compared to 3.76 HK cents in 2021.

The Board does not recommend the payment of final dividend for the year ended 31 December 2022 (2021: Nil).

As at 31 December 2022, the Group has a net working capital of HK$193.9 million (2021: HK$151.0 million), which included inventories, trade receivables and trade payables. The increase in net working capital is mainly from more precious metal inventories at year-end as the Group expands the gold trading business.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

In respect of the aggregate net proceeds of approximately HK$557.2 million ("**2016 Subscription Shares Proceeds**") raised from the subscription of shares in July 2016 and November 2016, amongst which all of the HK$557.2 million had been used from the subscription date to 31 December 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 HK$20.4 million. The actual use of the 2016 Subscription Shares Proceeds during the year ended 31 December 2022 was HK$20.4 million for investment in short to medium term financial instruments and general administrative purposes. As at 31 December 2022, all 2016 Subscription Shares Proceeds has been put to use and no unused net proceeds balance remain.

In respect of the net proceeds of approximately HK$736.4 million ("**Open Offer Proceeds**") raised from the open offer in April 2017, amongst which HK$574.7 million had been used from the date of subscribing the open offer to 31 December 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 HK$268.2 million. The actual use of the Open Offer Proceeds during the year ended 31 December 2022 was HK$106.5 million for expansion of metal commodities trading. As at 31 December 2022, the unused balance of the Open Offer Proceeds was HK$161.7 million.

The following table summarises the use of net proceeds for the 2016 Subscription Shares Proceeds and Open Offer Proceeds for the year ended 31 December 2022:

	Unused amount of net proceeds as at 31 December 2021 *HK$ million*	Change in use of proceeds on 29 March 2022 *HK$ million*	Actual use of net proceeds during the year ended 31 December 2022 *HK$ million*	Unused amount of net proceeds as at 31 December 2022 *HK$ million*	*Note 1*
2016 Subscription Share Proceeds					
– Argentina operational purposes	20.4	(20.4)	–	–	
– Investment in short-to medium term financial instruments and general administrative purposes	–	20.4	(20.4)	–	
Total	20.4	–	(20.4)	–	
Open Offer Proceeds					
– Investment in oil and gas, power generation and renewable energy	161.7	–	–	161.7	2
– Expansion of metal commodities trading	106.5	–	(106.5)	–	
Total	268.2	–	(106.5)	161.7	

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 utilised 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$20.4 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 31 December 2022 is expected to be used for investment in oil and gas, power generation and renewable energy and expected to be utilised on or before the year ending 31 December 2024. 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.

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 31 December 2022, the Group's net current assets amounted to approximately HK$855.4 million (2021: HK$684.1 million) with cash and bank balances of HK$851.2 million (2021: HK$495.0 million). Highly liquid assets, including cash and and bank balances, listed equity securities and gold investment, were HK$905.4 million (2021: HK$589.7 million). Cash and bank balances of the Group as at 31 December 2022 were mainly denominated in Hong Kong Dollar, United States Dollar, Canadian Dollar, Argentine Peso and Renminbi.

As at 31 December 2022, total equity of the Group was HK$1,321.6 million (2021: HK$1,101.5 million). Net asset value per share was HK$0.15 (2021: HK$0.13). Debt ratio, calculated as total liabilities divided by total assets, was 39.0% (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 and gearing ratio

As at 31 December 2022, the Group did not have unsecured debt securities and unsecured short-term loans (2021: Nil). Therefore, the Group's gearing ratio, calculated on the basis of interest bearing borrowings divided by total equity, was 0% (2021: 0%).

Charge on Assets

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

Contingent Liabilities

As at 31 December 2022, the Group did not have any material contingent liabilities (2021: Nil).

Capital Commitments

As at 31 December 2022, details of the capital commitments of the Group 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 trading, 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 oil and gas products 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 price fluctuation in 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 31 December 2022, the Group employed a total of 132 (2021: 99) permanent employees in Hong Kong, Canada, Argentina and China. Total employee remuneration (including directors' remuneration and benefits) for the year ended 31 December 2022 was amounted to HK$102.6 million (2021: HK$31.0 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. Other than as disclosed in the Management Discussion and Analysis section, there was no material or significant dispute between the Group and its suppliers, customers and/or stakeholders during the year ended 31 December 2022.

Material Acquisitions and Disposals

The Group has neither material acquisitions nor disposals of subsidiaries, associated companies, and joint ventures during the year ended 31 December 2022.

Significant Investments

As at 31 December 2022, the Group held financial assets at fair value through profit or loss, which comprised of listed equity securities and unlisted fund, of HK$55.9 million, of which none constituted significant investments of the Group as no single investment accounted for more than 5% of the Group's total assets.

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

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed above, the Group does not have any material subsequent events after 31 December 2022 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 Listing Rules on 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 2022 (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 2022 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 2022 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 2022, 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$740,884,000 is currently not available for distribution. The Company's share premium account of HK$4,878,364,000 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 (2021: 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 Friday, 23 June 2023 (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 2022. 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 2022.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed during the period from Monday, 19 June 2023 to Friday, 23 June 2023 (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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Friday, 16 June 2023.

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, 21 March 2023

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