



新時代能源有限公司*
NEW TIMES ENERGY
corporation limited

(Incorporated in Bermuda with limited liability)
(Stock code : 00166)



INTERIM REPORT 2023



*For identification purpose only

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CORPORATE INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

Mr. CHIU, Wai On (*Chairman*)

Mr. LEE, Chi Hin Jacob

Mr. YUNG, Chun Fai Dickie

Mr. HUANG, Victor

REMUNERATION COMMITTEE

Mr. YUNG, Chun Fai Dickie (*Chairman*)

Mr. CHENG, Kam Chiu Stewart

Mr. CHIU, Wai On

Mr. HUANG, Victor

NOMINATION COMMITTEE

Mr. YUNG, Chun Fai Dickie (*Chairman*)

Mr. LEE, Chi Hin Jacob

Mr. CHIU, Wai On

Mr. HUANG, Victor

EXECUTIVE COMMITTEE

Mr. CHENG, Kam Chiu Stewart (*Chairman*)

Mr. TANG, John Wing Yan

COMPANY SECRETARY

Mr. LEE, Kun Yin

AUDITOR

PricewaterhouseCoopers

Certified Public Accountants and Registered PIE Auditor

LEGAL ADVISERS

On Hong Kong law

Deacons

On Bermuda law

Conyers Dill & Pearman

On Canada law

Stikeman Elliott LLP

On Argentina law

Nicholson y Cano Abogados

Saravia Frias Abogados

Marval, O'Farrell & Mairal

On US law

Haynes and Boone, LLP

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited

HSBC

Canadian Imperial Bank of Commerce

Toronto-Dominion Bank

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Room 1402, 14/F, New World Tower I

16-18 Queen's Road Central

Hong Kong

REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

INFORMATION FOR STAKEHOLDERS

SHARE INFORMATION

First Listed on the Stock Exchange

13 October 1998

Place of Listing

Main Board of The Stock Exchange of Hong Kong Limited

Stock Code

00166.HK

Board Lot

2,000 shares

Financial Year End

31 December

As at 30 June 2023

Number of issued shares: 8,760,984,988 shares

Closing price: HK\$0.124 per share

Market capitalisation: HK\$1,086.36 million

SHARE REGISTRAR AND TRANSFER OFFICE

Principal Share Registrar

Conyers Corporate Services (Bermuda) Limited

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

Hong Kong Branch Registrar

Tricor Tengis Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

INVESTOR RELATIONS

Enquiries may be directed to e-mail:

info@nt-energy.com

WEBSITE

<http://www.nt-energy.com>

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2023

	Note	(Unaudited) Six months ended 30 June	
		2023 HK\$ million	2022 HK\$ million
Revenue	6	16,602.2	10,402.8
Cost of sales	9	(16,587.3)	(10,107.9)
Gross profit		14.9	294.9
Other income and net gains and losses	7	139.0	1.0
Net investment (loss)/gain	8	(7.2)	1.0
General and administrative expenses	9	(49.4)	(53.5)
Finance costs	10	(28.0)	(14.3)
Share of losses of joint ventures		–	–
Profit before taxation		69.3	229.1
Income tax expense	11	(11.4)	(14.2)
Profit for the period		57.9	214.9
Profit attributable to:			
Owners of the Company		57.9	214.9
Non-controlling interests		–	–
Profit for the period		57.9	214.9
Earnings per share attributable to owners of the Company for the period	13		
Basic (HK cent)		0.66	2.45
Diluted (HK cent)		0.66	2.45

The above condensed consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	(Unaudited)	
	Six months ended 30 June	
	2023 HK\$ million	2022 HK\$ million
Profit for the period	57.9	214.9
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	–	–
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	42.8	(42.0)
Other comprehensive income/(loss) for the period, net of tax	42.8	(42.0)
Total comprehensive income for the period	100.7	172.9
Total comprehensive income attributable to:		
Owners of the Company	100.7	172.9
Non-controlling interests	–	–
	100.7	172.9

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2023

	Note	(Unaudited) 30 June 2023 HK\$ million	(Audited) 31 December 2022 HK\$ million
Non-current assets			
Exploration and evaluation assets		–	–
Property, plant and equipment	14	850.4	961.7
Investment property	14	219.2	–
Investments in joint ventures		0.9	0.9
Financial assets at fair value through other comprehensive income		–	–
Prepayments, deposits and other receivables	16	15.9	17.6
		1,086.4	980.2
Current assets			
Inventories	15	140.9	111.4
Trade and other receivables	16	244.2	166.7
Financial assets at fair value through profit or loss	17	47.6	55.9
Cash and bank balances		808.3	851.2
		1,241.0	1,185.2
Current liabilities			
Trade and other payables	18	294.2	237.0
Lease liabilities		7.8	8.1
Derivative financial instruments		0.5	4.6
Provisions	19	79.6	80.1
Income tax payable		10.2	–
		392.3	329.8
Net current assets		848.7	855.4
Total assets less current liabilities		1,935.1	1,835.6

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2023

	Note	(Unaudited) 30 June 2023 HK\$ million	(Audited) 31 December 2022 HK\$ million
Non-current liabilities			
Lease liabilities		18.0	21.0
Deferred tax liabilities		42.8	59.8
Provisions	19	439.1	433.2
		499.9	514.0
Net assets			
		1,435.2	1,321.6
Equity			
Equity attributable to owners of the Company			
Share capital	20	87.6	88.1
Reserves		1,347.7	1,233.6
		1,435.3	1,321.7
Non-controlling interests		(0.1)	(0.1)
Total equity		1,435.2	1,321.6

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

CHENG, Kam Chiu Stewart
Director

TANG, John Wing Yan
Director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

(Unaudited)
Attributable to owners of the Company

	Share capital	Share premium	Treasury shares	Capital reserve	Exchange reserve	Fair value reserve (non-recycling)	Contributed surplus	Share-based payment reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Balance at 1 January												
2022	87.6	4,868.2	-	9.6	(574.5)	(123.2)	740.9	-	(3,907.1)	1,101.5	-	1,101.5
Profit for the period	-	-	-	-	-	-	-	-	214.9	214.9	-	214.9
Other comprehensive loss	-	-	-	-	(42.0)	-	-	-	-	(42.0)	-	(42.0)
Total comprehensive (loss)/income	-	-	-	-	(42.0)	-	-	-	214.9	172.9	-	172.9
Impact of hyperinflation – restatement effect	-	-	-	-	-	-	-	-	31.2	31.2	-	31.2
Balance at 30 June 2022	87.6	4,868.2	-	9.6	(616.5)	(123.2)	740.9	-	(3,661.0)	1,305.6	-	1,305.6
Balance at 1 January												
2023	88.1	4,878.4	-	9.6	(708.8)	(123.2)	740.9	6.0	(3,569.3)	1,321.7	(0.1)	1,321.6
Profit for the period	-	-	-	-	-	-	-	-	57.9	57.9	-	57.9
Other comprehensive income	-	-	-	-	42.8	-	-	-	-	42.8	-	42.8
Total comprehensive income	-	-	-	-	42.8	-	-	-	57.9	100.7	-	100.7
Repurchase and cancellation of own shares	(0.5)	(5.1)	-	-	-	-	-	-	-	(5.6)	-	(5.6)
Repurchase of own shares	-	-	(2.4)	-	-	-	-	-	-	(2.4)	-	(2.4)
Impact of hyperinflation – restatement effect	-	-	-	-	-	-	-	-	20.9	20.9	-	20.9
Balance at 30 June 2023	87.6	4,873.3	(2.4)	9.6	(666.0)	(123.2)	740.9	6.0	(3,490.5)	1,435.3	(0.1)	1,435.2

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2023

	Note	(Unaudited) Six months ended 30 June	
		2023 HK\$ million	2022 HK\$ million
Cash flows from operating activities			
Cash (used in)/generated from operations		(28.1)	202.7
Interest received		12.4	1.7
Income tax refunded		–	0.2
Net cash (used in)/generated from operating activities		(15.7)	204.6
Cash flows from investing activities			
Payment for purchase of property, plant and equipment		(30.8)	(13.4)
Proceeds from redemption of financial assets at fair value through profit or loss		–	25.0
Proceeds from disposal of property, plant and equipment		0.2	–
Interest received from financial assets at fair value through profit or loss		–	1.3
Dividend received from financial assets at fair value through profit or loss		0.2	0.2
Net cash (used in)/generated from investing activities		(30.4)	13.1
Cash flows from financing activities			
Repurchase of own shares		(8.0)	–
Payment for lease liabilities (including interest)		(5.1)	(5.0)
Net cash used in financing activities		(13.1)	(5.0)
Net (decrease)/increase in cash and cash equivalents			
Cash and cash equivalents at 1 January		851.2	495.0
Effect of foreign exchange rates changes		16.3	(7.6)
Cash and cash equivalents at 30 June		808.3	700.1

Non-cash transactions:

The non-cash investing activities during the six months ended 30 June 2023 include the acquisition of right-of-use assets amounting to HK\$1.1 million (2022: HK\$6.9 million) and the provision of asset retirement obligation for oil properties amounting to HK\$0.8 million (2022: HK\$5.8 million).

The above condensed consolidated cash flow statement should be read in conjunction with the accompanying notes.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

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 Company and its subsidiaries are collectively referred to as the “**Group**”.

This condensed consolidated interim financial information is presented in Hong Kong dollars (“**HK\$**”), unless otherwise stated. This condensed consolidated interim financial information was approved for issue by the Board of Directors on 29 August 2023.

2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2023 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 2022, 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 2022, except for the adoption of hedge accounting, investment properties, and the adoption of amendments to HKFRSs effective for the financial year ending 31 December 2023. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

Derivatives and hedging activities

The Group has adopted hedge accounting for derivative financial instruments for the financial year beginning on 1 January 2023. The new accounting policy related to derivatives and hedging activities are as follows:

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The Group designates certain derivatives as hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges).

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items, including whether changes in the fair values of the hedging instruments are expected to offset changes in the fair value of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

3 ACCOUNTING POLICIES *(Continued)*

Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss relating to the ineffective portion is recognised in profit or loss within other income and net gains and losses.

Investment properties

The Group designated certain property, plant and equipment to investment properties during the current period. The new accounting policy related to investment properties are as follows:

Investment properties, principally comprising land and buildings, are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Group. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. Subsequent to initial recognition, investment property is carried at fair value. Fair value is determined by professional qualified valuers on an open market value basis at the end of each reporting period. Changes in fair value are recognised in the consolidated statement of profit or loss.

Subsequent expenditure is included in the carrying amount of the asset only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. All other repairs and maintenance costs are expensed in the consolidated statement of profit or loss during the financial period in which they are incurred.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes.

If an owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this property at the date of transfer is recognised in equity as a revaluation of property, plant and equipment. However, if the fair value of the property at the date of transfer which results in a reversal of the previous impairment loss, the write-back is recognised in the consolidated statement of profit or loss.

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for the six months ended 30 June 2023 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements of the Group for the year ended 31 December 2022.

5 FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk arising in the normal course of its business and financial instruments.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2022.

There have been no changes in the Group's financial risk management policies and practices since year end.

5.2 Fair value estimation

The details below provide updates on the judgements and estimates made by the Group in determining the fair value of the financial instruments since the last annual financial statements.

(i) Financial instruments carried at fair value

The following table presents the carrying value of the financial instruments measured at fair value at the date of statement of financial position across the three levels of the fair value hierarchy defined in HKFRS 7, "Financial Instruments: Disclosures", with the fair value of each financial instruments categorised in its entirety based on the lowest level of input that is significant to that fair value measurement.

The levels are defined as follows:

- Level 1 (highest level): fair value measured using quoted prices (unadjusted) in active markets for identical financial instruments.
- Level 2: fair values measured using quoted prices in active market for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable data.
- Level 3 (lowest level): fair value measured using valuation techniques in which any significant input is not based on observable market data.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

5 FINANCIAL RISK MANAGEMENT *(Continued)*

5.2 Fair value estimation *(Continued)*

(i) Financial instruments carried at fair value *(Continued)*

	Level 1 HK\$ million	Level 2 HK\$ million	Level 3 HK\$ million	Total HK\$ million
As at 30 June 2023 (Unaudited)				
Assets				
Financial assets at fair value through other comprehensive income ("FVOCI"):				
– Unlisted equity investments	–	–	–	–
Financial assets at fair value through profit or loss ("FVPL"):				
– Listed equity investments	46.7	–	–	46.7
– Listed debt investments	0.3	–	–	0.3
– Unlisted funds	–	0.6	–	0.6
	47.0	0.6	–	47.6
Liabilities				
Derivative financial instruments:				
– Paper precious metals	0.5	–	–	0.5
	0.5	–	–	0.5
As at 31 December 2022 (Audited)				
Assets				
Financial assets at FVOCI:				
– Unlisted equity investments	–	–	–	–
Financial assets at FVPL:				
– Listed equity investments	54.3	–	–	54.3
– Unlisted funds	–	1.6	–	1.6
	54.3	1.6	–	55.9
Liabilities				
Derivative financial instruments:				
– Paper precious metals	4.6	–	–	4.6
	4.6	–	–	4.6

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

5 FINANCIAL RISK MANAGEMENT *(Continued)*

5.2 Fair value estimation *(Continued)*

(i) Financial instruments carried at fair value *(Continued)*

During the six months ended 30 June 2023, there were no transfers between instruments in level 1, level 2 and level 3. For the information about level 3 fair value measurements, please refer to Note 5.2(i)(c).

(a) *Financial instruments in level 1*

The fair value of financial instruments traded in active markets is based on quoted market prices at the date of the statement of financial position. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily equity and debt investments listed in the Stock Exchange and the Singapore Exchange Securities Trading Limited.

(b) *Financial instruments in level 2*

The equity interest in Foothills Exploration, Inc. ("**Foothills Exploration**") is classified as equity investment and carried at fair value. The fair value is valued using the market approach with reference to the market price of shares of Foothills Exploration.

The unlisted funds held under the accounts with Blanz Capital is classified as investment carried at fair value. The fair value is valued using the market approach with reference to the official peso-dollar exchange rate.

(c) *Financial instruments in level 3*

As there were no active market for these investments, majority of their fair values have been determined using applicable valuation techniques including comparable transactions approach and asset-based approach. These valuation approaches require significant judgement, assumptions and inputs, including information of recent transactions (such as recent fund-raising transactions undertaken by the investees), financial information of the investees and other publicly available information.

There were no level 3 financial instruments as at 30 June 2023 and 31 December 2022.

(ii) Fair values of financial instruments carried at other than fair value

The carrying amounts of the Group's financial instruments, including non-current assets carried at cost or amortised cost are not materially different from their fair values as at 30 June 2023 and 31 December 2022, due to their short maturities.

There were no transfers between levels 1 and 2 for recurring fair value measurements of non-financial assets during the period.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

6 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, unallocated other income and net gains and losses, unallocated interest income and expenses and other corporate expenses. Segment assets include all the assets with the exception of investment property, 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 additions to exploration and evaluation assets and property, plant and equipment.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

6 REVENUE AND SEGMENT REPORTING (Continued)

(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 period is set out below:

	Upstream		(Unaudited) General and commodities refinery and trading		Total	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2023 HK\$ million	2022 HK\$ million	2023 HK\$ million	2022 HK\$ million	2023 HK\$ million	2022 HK\$ million
Reportable segment revenue (Note)	326.0	589.0	16,276.2	9,813.8	16,602.2	10,402.8
Reportable segment results	(50.5)	231.6	16.2	5.1	(34.3)	236.7
Depreciation	(104.9)	(53.3)	(1.9)	(1.1)	(106.8)	(54.4)
Fair value loss on gold investment	–	–	–	(0.8)	–	(0.8)
Gains on derivative financial instruments	–	–	0.3	4.3	0.3	4.3
Interest income	7.6	1.3	0.1	–	7.7	1.3
Interest expense	(27.7)	(14.0)	(0.2)	(0.2)	(27.9)	(14.2)
Additions to non-current segment assets	26.1	14.0	4.5	3.8	30.6	17.8
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 June	31 December	30 June	31 December	30 June	31 December
	2023	2022	2023	2022	2023	2022
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Reportable segment assets	1,346.9	1,433.4	467.8	331.9	1,814.7	1,765.3
Reportable segment liabilities	(641.7)	(685.5)	(155.1)	(40.7)	(796.8)	(726.2)

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.

Following the designation of certain property, plant and equipment to investment during the current period, the corresponding property, plant and equipment in the comparatives previously included in the reportable segment assets has been restated as unallocated corporate assets.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

6 REVENUE AND SEGMENT REPORTING (Continued)

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

	(Unaudited)	
	Six months ended 30 June	
	2023 HK\$ million	2022 HK\$ million
Results		
Reportable segment results	(34.3)	236.7
Unallocated interest income	5.0	0.4
Unallocated interest expenses	(0.1)	(0.1)
Unallocated other income and net gains and losses	115.0	–
Other expenses in corporate head office	(9.1)	(7.7)
Share of losses of joint ventures	–	–
Net investment loss	(7.2)	(0.2)
Profit before taxation	69.3	229.1
	(Unaudited)	(Audited)
	30 June	31 December
	2023	2022
	HK\$ million	HK\$ million
Assets		
Reportable segment assets	1,814.7	1,765.3
Investments in joint ventures	0.9	0.9
Financial assets at FVOCI	–	–
Unallocated corporate assets:		
– Investment property	219.2	–
– Property, plant and equipment	–	98.0
– Cash and bank balances	239.9	240.9
– Financial assets at FVPL	47.0	54.3
– Other receivables	2.3	3.0
– Others	3.4	3.0
Consolidated total assets	2,327.4	2,165.4
Liabilities		
Reportable segment liabilities	796.8	726.2
Deferred tax liabilities	42.8	59.8
Unallocated corporate liabilities:		
– Deposit received	45.0	45.0
– Unallocated lease liabilities	2.1	2.9
– Others	5.5	9.9
Consolidated total liabilities	892.2	843.8

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

6 REVENUE AND SEGMENT REPORTING (Continued)

(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.

	(Unaudited) Revenue from external customers Six months ended 30 June		(Unaudited) Specified non-current assets 30 June 2023 HK\$ million	(Audited) 31 December 2022 HK\$ million
	2023 HK\$ million	2022 HK\$ million		
Hong Kong	16,276.2	9,813.8	30.8	29.6
Canada	275.0	548.7	969.8	872.5
Argentina	51.0	40.3	85.8	78.1
	16,602.2	10,402.8	1,086.4	980.2

(iv) 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	
	2023 HK\$ million	2022 HK\$ million
Revenue from contracts with customers within the scope of HKFRS 15		
– Refinery and sales of physical precious metals under general and commodities refinery and trading	16,276.2	9,813.8
– Sales of oil and gas products under oil and gas exploration and production	326.0	589.0
	16,602.2	10,402.8

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

7 OTHER INCOME AND NET GAINS AND LOSSES

	(Unaudited)	
	Six months ended 30 June	
	2023 HK\$ million	2022 HK\$ million
Bank interest income	12.7	1.7
Drilling service income	0.6	0.7
Gains on derivative financial instruments	0.3	4.3
Fair value loss on gold investment	–	(0.8)
Fair value gain on investment property	115.0	–
Hyperinflation monetary adjustments (Note)	6.9	7.2
Net foreign exchange losses	(3.5)	(15.1)
Rental income	3.8	2.3
Others	3.2	0.7
	139.0	1.0

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 period hyperinflation monetary adjustment for the change in price index amounting to HK\$6.9 million (2022: HK\$7.2 million) was recognised in the condensed consolidated statement of profit or loss.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

8 NET INVESTMENT (LOSS)/GAIN

	(Unaudited)	
	Six months ended 30 June	
	2023 HK\$ million	2022 HK\$ million
Net (losses)/gains in listed equity securities	(7.5)	1.4
Net gains/(losses) in listed and unlisted debt securities	0.3	(0.4)
	(7.2)	1.0

9 EXPENSES BY NATURE

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

	(Unaudited)	
	Six months ended 30 June	
	2023 HK\$ million	2022 HK\$ million
Cost of inventories recognised as expense	16,400.1	9,970.0
Depreciation of property, plant and equipment	104.1	56.8
Depreciation of right-of-use assets	3.8	3.4
Employee benefit expenses (including directors' remuneration)	45.8	34.3
Processing charges	6.9	2.7
Legal and professional fees	7.2	7.7
Transportation costs	54.8	63.6
Others	14.0	22.9
Total cost of sales and general and administrative expenses	16,636.7	10,161.4

10 FINANCE COSTS

	(Unaudited)	
	Six months ended 30 June	
	2023 HK\$ million	2022 HK\$ million
Imputed interest on provisions	27.3	13.5
Interest on lease liabilities	0.7	0.8
	28.0	14.3

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

11 INCOME TAX EXPENSE

	(Unaudited) Six months ended 30 June	
	2023 HK\$ million	2022 HK\$ million
Current tax		
Provision for the period	10.2	–
Deferred tax		
Charged to the profit or loss	1.2	14.2
	11.4	14.2

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 2023 (2022: 16.5%) on the estimated assessable profit for the period. No provision for Hong Kong profits tax has been made for the period as the Group’s operations in Hong Kong had no assessable profits (2022: Nil).

Subsidiaries of the Group in Argentina are subject to Argentina corporate income tax (“AIT”) at 35% and minimum presumed income tax (“MPIT”) (2022: 35%). MPIT is supplementary to AIT and is chargeable at the applicable tax rate of 35% (2022: 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% (2022: 38%) together with the federal abatement of 10% (2022: 10%) and general rate reduction or manufacturing and processing deduction of 13% (2022: 13%), the net federal tax rate is 15% (2022: 15%). With the provincial and territorial CCITs range from 8% (Alberta) (2022: 8%) to 12% (British Columbia) (2022: 12%), the aggregate tax rate ranged from 23% to 27% (2022: 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% (2022: 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.

12 DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2023 (2022: Nil).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

13 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\$57.9 million (2022: HK\$214.9 million) and weighted average number of ordinary shares in issue during the period of 8,790.6 million shares (2022: 8,758.9 million shares).

(b) Diluted earnings per share

For the six months ended 30 June 2023 and 2022, basic and diluted earnings per share was the same as there were no potentially dilutive ordinary shares in issue during the period.

14 PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

During the six months ended 30 June 2023, addition to the cost of property, plant and equipment were HK\$31.9 million (31 December 2022: HK\$204.8 million) and no transfer from exploration and evaluation assets to property, plant and equipment (31 December 2022: Nil). For the details of the commitments for the purchase of property, plant and equipment, refer to Note 22.

The Group transferred property, plant and equipment with carrying value of HK\$100.7 million to investment property during the current period (2022: Nil). As at 30 June 2023, the fair value of investment property increased to HK\$219.2 million, resulting in a fair value adjustment of HK\$115.0 million, which was recognised in the statement of condensed consolidated statement of profit or loss.

15 INVENTORIES

	(Unaudited) 30 June 2023 HK\$ million	(Audited) 31 December 2022 HK\$ million
Precious metals held for refinery and trading, at cost	121.1	92.1
Consumables	19.5	19.3
Oil products	0.3	–
	140.9	111.4

During the six months ended 30 June 2023, no provisions were made on inventories (2022: Nil).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

16 TRADE AND OTHER RECEIVABLES

	(Unaudited) 30 June 2023 HK\$ million	(Audited) 31 December 2022 HK\$ million
Trade receivables (Note (b))	68.6	103.9
Other debtors	9.3	10.1
Deposits	41.0	38.9
Amount due from a joint venture (Note (c))	0.6	0.6
Financial assets measured at amortised cost	119.5	153.5
Value-added tax recoverable	2.0	2.3
Other tax recoverable	21.4	19.2
Other prepayments	117.2	9.3
	260.1	184.3
Reconciliation to the condensed consolidated statement of financial position:		
Non-current	15.9	17.6
Current	244.2	166.7
	260.1	184.3

Notes:

- (a) The Board considers that the carrying amounts of deposits, trade and other receivables are 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 2022: 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 2023 HK\$ million	(Audited) 31 December 2022 HK\$ million
0 – 30 days	51.5	88.1
31 – 60 days	2.2	0.4
61 – 90 days	2.4	1.5
Over 90 days	12.5	13.9
	68.6	103.9

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

17 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	(Unaudited) 30 June 2023 HK\$ million	(Audited) 31 December 2022 HK\$ million
Listed equity securities (Note (i))	46.7	54.3
Listed debt securities	0.3	–
Unlisted fund	0.6	1.6
	47.6	55.9

Note:

- (i) The listed equity securities represent listed shares on the Stock Exchange and are stated at fair value. Net investment losses of HK\$7.5 million (2022: net investment gains of HK\$1.4 million) have been recognised in the condensed consolidated statement of profit or loss during the six months ended 30 June 2023.

18 TRADE AND OTHER PAYABLES

	(Unaudited) 30 June 2023 HK\$ million	(Audited) 31 December 2022 HK\$ million
Trade payables (Note (ii))	19.3	21.4
Other creditors and accrued charges (Note (iii))	129.1	188.3
Financial liabilities measured at amortised cost	148.4	209.7
Other tax payables	3.6	7.2
Contract liabilities	142.2	20.1
	294.2	237.0

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

18 TRADE AND OTHER PAYABLES (Continued)

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 2023 HK\$ million	(Audited) 31 December 2022 HK\$ million
0 – 30 days	4.8	13.4
31 – 60 days	5.4	2.8
61 – 90 days	1.7	2.1
Over 90 days	7.4	3.1
	19.3	21.4

- (iii) Included in other creditors and accrued charges is a deposit of HK\$45.0 million (31 December 2022: HK\$45.0 million) 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.

19 PROVISIONS

The carrying amount of the Group's provisions mainly represented the provisions for estimated dismantlement cost for the upstream business in Argentina and Canada. Movements of provisions during the period are set out as follows:

	(Unaudited) 30 June 2023 HK\$ million	(Audited) 31 December 2022 HK\$ million
At beginning of reporting period	513.3	431.7
Settlement of dismantlement costs	(31.8)	(21.2)
Changes in estimates	0.8	101.2
Hyperinflation adjustments	5.4	11.0
Accretion of interest	27.3	26.2
Exchange differences	3.7	(35.6)
At end of reporting period	518.7	513.3
Reconciliation to the condensed consolidated statement of financial position:		
Non-current	439.1	433.2
Current	79.6	80.1
	518.7	513.3

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

19 PROVISIONS (Continued)

In accordance with the relevant rules and regulations and the agreements with the surface owners, the Group is obliged to accrue the costs related to the future costs of plugging and abandoning its oil and gas properties, the removal of equipment and facilities from lease acreage and returning such land to its original condition, and indemnification of surface owners for the damages caused by the exploration activities. These costs reflect the estimated legal and contractual obligations associated with the normal operation of oil and gas properties and were capitalised by increasing the carrying amounts of the related assets. The provisions have been determined by the directors based on their best estimates of the level of expenditure and extent of work required.

20 SHARE CAPITAL

Authorised and issued share capital

	30 June 2023		31 December 2022	
	No. of shares '000	HK\$ million	No. of shares '000	HK\$ million
Authorised:				
At beginning and end of reporting period Ordinary shares of HK\$0.01 each	200,000,000	2,000	200,000,000	2,000
Ordinary shares, issued and fully paid:				
At beginning of reporting period	8,808,881	88.1	8,758,881	87.6
Exercise of share option	–	–	50,000	0.5
Purchase of own shares	(47,896)	(0.5)	–	–
At end of reporting period	8,760,985	87.6	8,808,881	88.1

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.

During the six months ended 30 June 2023, the Company repurchased 67,104,000 of its own shares from the market, out of which 19,208,000 shares had not been cancelled as at 30 June 2023 (2022: Nil). The shares were repurchased at prices ranging from HK\$0.081 to HK\$0.130 per share, with an average price of HK\$0.117 per share.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

21 MATERIAL RELATED PARTY TRANSACTIONS

The directors of the Company consider the immediate parent and ultimate controlling party of the Group to be Max Sun Enterprises Limited and Chow Tai Fook Capital Limited respectively, which are incorporated in the BVI.

For the purposes of this condensed consolidated interim financial information, parties are considered to be related to the Group if the party has the ability, directly or indirectly, to exercise significant influence over the Group in making financial and operating decisions. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals. Parties are also considered to be related if they are subject to common control.

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

(a) Key management personnel remuneration

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

	(Unaudited) Six months ended 30 June	
	2023	2022
	HK\$ million	HK\$ million
Short-term employee benefits	3.6	3.3

(b) Other related party transactions

	(Unaudited) Six months ended 30 June	
	2023	2022
	HK\$ million	HK\$ million
Rent and management fee paid to an associate of an intermediate parent of the Company (Note)	1.2	1.3
IT management and support fees paid to an associate of an intermediate parent of the Company	0.1	0.1

Note:

The Group entered into lease contracts in respect of its office with an associate of an intermediate parent of the Company. As at 30 June 2023, the aggregated balance of lease liabilities due to related party in respect of the leased office was HK\$2.1 million (31 December 2022: HK\$2.9 million).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

22 COMMITMENTS

The Group had the following capital commitments at the date of statement of financial position:

	(Unaudited) 30 June 2023 HK\$ million	(Audited) 31 December 2022 HK\$ million
Authorised but not contracted for	125.7	125.0
Authorised and contracted for	10.9	13.7
	136.6	138.7

23 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 ("**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 is estimated at US\$0.2 million (equivalent to HK\$1.4 million). No provision had been provided in respect of the potential disputed difference as at 30 June 2023, 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.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

TO THE BOARD OF DIRECTORS OF NEW TIMES ENERGY CORPORATION LIMITED

(incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 4 to 28, which comprises the interim condensed consolidated statement of financial position of New Times Energy Corporation Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 June 2023 and the interim condensed consolidated statement of profit or loss, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated cash flow statement for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review 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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers
Certified Public Accountants

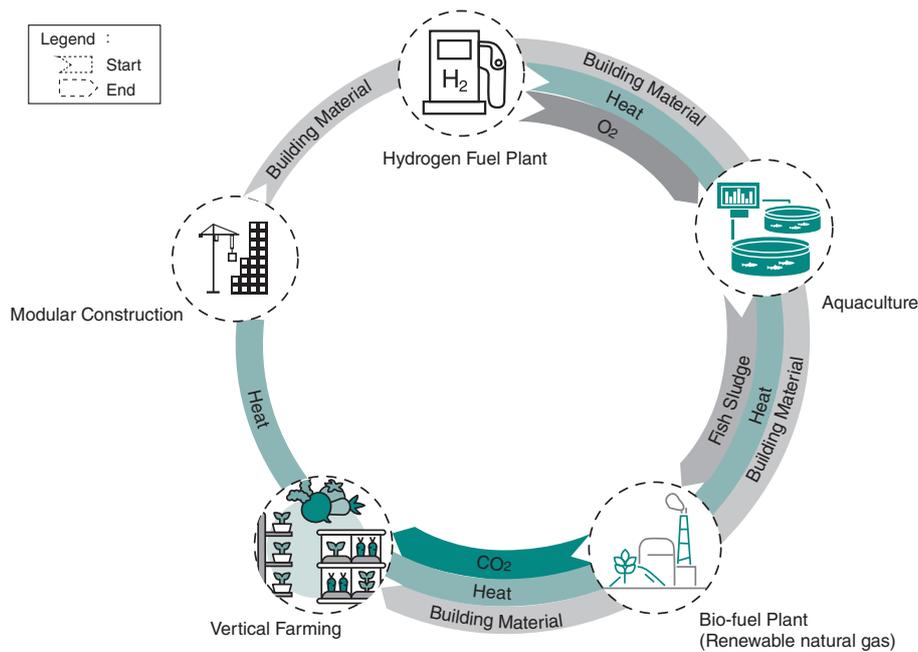
Hong Kong, 29 August 2023

MANAGEMENT DISCUSSION AND ANALYSIS

GENERAL REVIEW

The Board is pleased to report that the Group made a profit of HK\$57.9 million, despite a dramatic drop in natural gas commodity prices during the first half of 2023 over the same period in 2022. The Group expects the natural gas commodity prices to rebound in the second half of 2023 to produce a higher level of profitability in the second half of 2023. As of 30 June 2023, the Group had no external borrowings, and possessed highly liquid current assets of HK\$855.9 million which consisted of cash and bank balances of HK\$808.3 million and HK\$47.6 million in financial assets at fair value through profit or loss. The Group's liquidity and financial position remain healthy with stable cashflows generated across all its businesses during the period.

As the world accelerates towards a low carbon economy, the Group is embarking on its own energy transition endeavor. The Group is committed to redeveloping its 1,200 acres (4.9 km²) Discovery Park site at Campbell River, British Columbia, Canada into a green ecosystem hub by hosting businesses including aquaculture, renewable natural gas production, vertical farming, modular construction, liquid hydrogen production and affordable housing by modularisations. The Group's vision is to create a circular economy at Discovery Park by bringing together complementary businesses, where economic value is created by reducing waste, and contributing to better sustainability, climate protection and resource efficiency.



MANAGEMENT DISCUSSION AND ANALYSIS

In Argentina, where the Group operates the most productive conventional oil well in the country at the Los Blancos Concession, with the continued steady production rate of 1,320 barrels per day during the six months ended 30 June 2023. Due to the challenging political and economic environments with little sign of significant improvement soon, the Group is still seeking options with its Argentina investment.

During the first half of 2023, the Group's refinery and trading business in precious metals, mainly in physical gold and silver, delivered a robust performance with its net profit tripled as compared to the same period last year. The Group's new precious metals refinery with a processing capacity of approximately 50 tonnes of 99.99% gold per annum is on course to commence trial production in August 2023. Once commercially operational, the Group anticipates the new refining business will further enhance the Group's profitability.

The Group operates under a strong Environmental, Social and Governance ("**ESG**") mandate and is committed to the investment and future development of clean energy for global sustainability. It is actively exploring ways to collaborate with local authorities and governing bodies to achieve the mutual objective of net zero emissions.

CANADA

Operations Update

Oil and Gas

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

The Group's Canadian oil and gas assets operated by its subsidiary, NTEC Energy Canada Limited ("**NTEC**"), consist of over 800 active wells and spanning approximately 761,000 acres (3,080 km²) of land. They are situated in four locations in the Western Canadian Sedimentary Basin, namely Greater Sierra Area ("**GSA**") and Horn River Basin in the province of British Columbia (representing approximately 90% of NTEC's annual oil and gas production), and Wapiti and Willesden Green in the province of Alberta.

During the six months ended 30 June 2023, NTEC's average daily oil and gas production was 12,152 boe per day (95% natural gas). Following a successful optimisation campaign to enhance existing wells, in conjunction with the drilling of six unconventional wells operated by NTEC and minority participation in three additional unconventional wells last year, the Group's production in Canada increased by approximately 1,150 boe per day.

Due to a significant decline in Canada's natural gas commodity prices in the first half of 2023 as compared to that of 2022, NTEC's revenue for the six months ended 30 June 2023 was HK\$275.0 million, a decrease of 50% as compared to the same period last year. The average realised price for the first half of 2023 was C\$21.0/boe, in contrast to C\$38.7/boe for the same period last year. The Group is hopeful of improved profitability and cashflows at NTEC for the remainder of the current year. Based on the forecasts of independent consultants, a steady rebound in Canada's energy commodity prices is projected, albeit possibly not to the levels witnessed during the first half of last year, following the Russian invasion of Ukraine in February 2022.

Besides optimising production rates, NTEC is also seeking process efficiency improvements and cost rationalisation opportunities to maximise financial performance. Immediate key initiatives include renegotiating fees levied by natural gas pipeline and processing intermediaries and cutting NTEC's carbon emissions to reduce carbon tax costs, both a significant expense for the business.

MANAGEMENT DISCUSSION AND ANALYSIS

As the wildfires across Canada continue to spread uncontrollably disrupting livelihood, oil and gas producers and pipeline operators have also been affected. Production at the Group's Horn River Basin facility was shut-in from 1 July 2023 until further notice, after evacuation orders by local authorities and emergency services. The temporary shut-in means a curtailment in NTEC's daily production by 3,200 boe per day.

NTEC pays an average of approximately C\$0.9 million per month in carbon tax. The availability of approved carbon offsetting schemes from the British Columbia Government would be helpful in reducing NTEC's carbon footprint from its natural gas production in the province. NTEC hopes that the company will be in a concrete position to propose various projects towards our goal of achieving net zero. Carbon reduction activities already planned include conducting energy audits on all NTEC operated facilities and a feasibility study to modify the configuration of GSA's gas plant.

Discovery Park

The Group via its wholly owned subsidiary, NTE Discovery Park Ltd ("**NTE**") operates Discovery Park at Campbell River, British Columbia ("**BC**"), a 1,200 acres (4.9 km²) site, providing industrial land parcels, buildings, and warehouses for businesses to lease. Existing site includes an electrical substation that is connected to two 138 kV transmission lines which provides infrastructure for over 280MW of 100% renewable hydroelectricity supplied by BC Hydro, sourced from a nearby dam at a unit rate as low as C\$0.06/kWh. Additional onsite facilities include a solid industrial waste landfill to handle hazardous substance disposal needs, a complimentary wastewater treatment facility, an ample supply of freshwater from Campbell River at a rate of 1.5 cubic meters per second (1.5 m³/sec), and two deep water piers for dock usage and direct ocean water access.

The Group is committed to the redevelopment of Discovery Park, formerly a pulp mill, into a green ecosystem hub to attract new tenants that align with the Group's ESG mandate. The Group's ambition is to establish a circular economy at Discovery Park by bringing together businesses such as aquaculture, renewable natural gas production, vertical farming, modular construction, and liquid hydrogen production to form a self-contained mutually beneficial loop, where the by-products generated by one business activity becomes the production inputs for the other business activities.

With the support and cooperation from the First Nation of Campbell River, local and federal government, the redevelopment of Discovery Park will be initiated by the demolition of all buildings from the abandoned paper pulp site to commence in the third quarter of 2023.

Discovery Park is an ideal site for aquaculture and biomass energy production given the low-cost hydroelectricity on site and ample supply of ocean and fresh water. The Group is presently in negotiations with four prospective Norwegian fish farming companies, who have expressed their interest to develop inland aquaculture facilities at Discovery Park, capable of producing Atlantic salmon and other breeds. Concurrently, the Group is aiming to finalise plans and lease terms with a local partner before the end of this year, to establish a renewable natural gas production facility using hog fuel as raw material.

Following the news of CubicFarm Systems Corp. (TSX: CUB) running into financial difficulties, the Group is actively seeking to alternative well-known and established ag-tech companies both in Canada and globally to collaborate to provide efficient, localised food supply solutions and using indoor farming technologies. In the meantime, the Group is pressing ahead with plans to develop and operate its own vertical farming system, with the aim of capturing a fraction of the Vancouver market for green vegetables. Furthermore, the Group will also build on its modular construction capabilities to aid the redevelopment at Discovery Park.

MANAGEMENT DISCUSSION AND ANALYSIS

Due to the competitive advantages of US hydrogen producers over their Canadian counterparts, resulting from the US Government subsidies granted by the US Inflation Reduction Act of 2022 (IRA), the Group's negotiations for the hosting of a potential new liquid hydrogen plant at Discovery Park is currently hampered for reasons of economic feasibility and competitiveness.

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 km² 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 2023, Los Blancos continued to steadily produce light crude oil unaided at an average rate of 1,320 barrels per day, under a stable and high wellhead pressure, with an API index of approximately 37°, and zero water content, free of sulfur and other contaminants. According to an official Argentina national statistics database, the Los Blancos well was recognised as "the most productive conventional oil well in the country" for the 2023 year to date.

Despite the prolific oil production at Los Blancos, it is unfortunate that the Group is unable to fully realise the full financial returns from High Luck, due to a combination of unfavorable factors including low domestic oil prices, historically around 30% below prevailing Brent; hyperinflation running at 50.7% for the six months ended 30 June 2023, and forecasted to be over 100% by end of 2023; capital controls which mean repatriations to the Group suffer a deep discount of approximately 50% of the official foreign exchange rates; social unrest caused by poverty and hardship impacting High Luck's operations including road block to oil deliveries and labor strikes; high taxation; and bureaucracy.

The challenges face by High Luck are likely to persist in Argentina until the country's next general election in October 2023 and beyond. Nevertheless, High Luck continues to generate positive cashflow and is financially self-sufficient. Monthly cash surpluses are returned to the Group's head office for reinvestment.

Aside from the difficulties of operating in Argentina, the arbitration initiated by Pampa against High Luck in June 2021 over a dispute of approximately US\$0.2 million (equivalent to approximately HK\$1.4 million) due to a difference in interpretation of the Farm-Out Agreement ("**FOA**") regarding farm-in cost is ongoing. The Group believes that the arbitration by Pampa is frivolous, and their compensation demand for the restitution of High Luck's 50% participating interest 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.

MANAGEMENT DISCUSSION AND ANALYSIS

COMMODITIES REFINERY AND 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 the six months ended 30 June 2023, the Group's physical gold and silver refinery and trading business managed to grow its total trading volume to approximately HK\$16,276.2 million and triple its net profit to HK\$16.2 million when compared to the same period of 2022. Improved margins per transaction during the period also contributed to the Group's encouraging results in the commodities refinery and trading business.

After enduring various supply chain issues which delayed the importation of specialist equipment, the Group is pleased to announce that the preliminary testing and commissioning of the new refinery is scheduled for August 2023. Once commercial operation commences, the Group's new refinery will have the capacity to process approximately 50 tonnes of 99.9% gold per annum. By bringing precious metals refining capabilities within the Group, the new business once commercially operational can further enhance the Group's profitability.

OUTLOOK FOR THE REST OF 2023 AND BEYOND

As the world accelerates towards a low carbon economy, the Group is committed to its energy transition journey. Plans to transform Discovery Park into a green ecosystem hub have begun. The Group's vision is to develop and attract complementary industries including aquaculture, renewable natural gas production, vertical farming, modular construction, and liquid hydrogen production to create a circular economy at Discovery Park. By redeveloping the site into a green ecosystem hub, the Group can create economic value by reducing waste, and contributing to better sustainability, climate protection and resource efficiency. The Group is unwavering in its efforts towards achieving net zero through its development at Discovery Park.

With a strengthening of energy commodity prices anticipated in the remainder of 2023, the Group is hopeful of an improvement in the results of its oil and gas operations in Canada and Argentina. The commencement of the Group new precious metals refinery is also expected to positively contribute to the Group's future profitability. The Group is committed to creating long-term value for its shareholders, whilst operating under its ESG mandate to significantly reduce carbon emissions for global sustainability.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The Group's revenue for the six months ended 30 June 2023 was HK\$16,602.2 million (2022: HK\$10,402.8 million). Revenue from upstream oil and gas products contributed HK\$326.0 million of revenue during this period, down from HK\$589.0 million in 2022 due to global energy price fluctuations.

The remaining revenue of HK\$16,276.2 million (2022: HK\$9,813.8 million) stemmed from the sales of physical precious metals in the general and commodities refinery and trading business. The surge in precious metals sales was driven by the Group's business expansion efforts, further boosted by increased gold commodity prices amid the financial market crisis that occurred in the period.

Gross profit for the period was HK\$14.9 million (2022: HK\$294.9 million), reflecting a sharp decline in Canadian natural gas commodity prices as compared to the same period last year.

Other income and net gains and losses amounted to HK\$139.0 million (2022: HK\$1.0 million), included a fair value gain of HK\$115.0 million (2022: Nil) from the designation of a property, plant and equipment to investment property.

General and administrative expenses decreased by 8% to HK\$49.4 million (2022: HK\$53.5 million) due to cost savings in the upstream business.

Finance costs for the six months ended 30 June 2023 were HK\$28.0 million (2022: HK\$14.3 million), primarily attributed to imputed interests in provisions related to Canadian operations.

Income tax expenses for the period were HK\$11.4 million (2022: HK\$14.2 million), representing current and deferred tax charges in the upstream businesses for the period.

Profit attributable to the owners of the Company amounting to HK\$57.9 million for the six months ended 30 June 2023 (2022: HK\$214.9 million). Basic and diluted earnings per share for the period were 0.66 HK cents (2022: 2.45 HK cents).

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2023 (2022: Nil).

As at 30 June 2023, the Group's net working capital (inventory, trade receivables and trade payables) remained stable at HK\$190.2 million, similar to the net working capital of HK\$193.9 million as of 31 December 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

In respect of the net proceeds of 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 30 June 2023 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 2022 and 30 June 2023, the unused balance of the Open Offer Proceeds was HK\$161.7 million as none of the Open Offer Proceeds were used during the six months ended 30 June 2023.

The following table summarises the use of net proceeds for the Open Offer Proceeds for the six months ended 30 June 2023:

	Unused amount of net proceeds as at 31 December 2022 HK\$ million	Actual use of net proceeds during the period ended 30 June 2023 HK\$ million	Unused amount of net proceeds as at 30 June 2023 HK\$ million	Note
Open Offer Proceeds:				
– Investment in oil and gas, power generation, and renewable energy	161.7	–	161.7	1
Total	161.7	–	161.7	

Notes:

1. The unused amount of net proceeds as at 30 June 2023 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 hedging purposes in order to mitigate the financial impact from price fluctuations on inventories of precious metals held by the Group. The use of these derivative financial instruments is closely monitored and controlled by the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 June 2023, the Group's net current assets amounted to HK\$848.7 million (31 December 2022: HK\$855.4 million) with cash and bank balances of HK\$808.3 million (31 December 2022: HK\$851.2 million). Highly liquid assets, including cash and bank balances and listed debt and equity securities, were HK\$855.3 million (31 December 2022: HK\$905.5 million). Cash and bank balances as at 30 June 2023 were mainly denominated in Hong Kong Dollar, United States Dollar, Canadian Dollar, Argentine Peso and Renminbi.

As at 30 June 2023, total equity of the Group was HK\$1,435.2 million (31 December 2022: HK\$1,321.6 million). Net asset value per share equated to HK\$0.16 (31 December 2022: HK\$0.15). Debt ratio, calculated as total liabilities divided by total assets, was 38.3% (31 December 2022: 39.0%).

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 30 June 2023, the Group did not have unsecured debt securities and unsecured short-term loan (31 December 2022: Nil). Therefore, the Group's gearing ratio, calculated on the basis of interest-bearing borrowings divided by total equity, was 0% (31 December 2022: 0%).

Charge on Assets

As at 30 June 2023, the Group did not have any charge on its assets (31 December 2022: Nil).

Contingent Liabilities

Save as disclosed in Note 23 to this interim financial information, the Group did not have any material contingent liabilities as at 30 June 2023 (31 December 2022: Nil).

Capital Commitments

Details of the capital commitments of the Group as at 30 June 2023 are set out in Note 22 to this interim financial information.

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 refinery and 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 refinery and 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 30 June 2023, the Group employed a total of 131 (31 December 2022: 132) permanent employees in Hong Kong, Canada, Argentina and China. Total employee remuneration (including directors' remuneration and benefits) for the six months ended 30 June 2023 was amounted to HK\$45.8 million (2022: HK\$34.3 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 23 to this interim financial information, there was no material or significant dispute between the Group and its suppliers, customers and/or stakeholders during the six months ended 30 June 2023.

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 2023.

Significant Investments

As at 30 June 2023, the Group held financial assets at fair value through profit or loss, which comprised of listed equity securities and unlisted fund, of HK\$47.6 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 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.

MANAGEMENT DISCUSSION AND ANALYSIS

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed above, the Group does not have any material subsequent events after 30 June 2023 and up to the date of this interim report.

CONCLUSION

The Group would like to express its sincere gratitude to employees and shareholders for their continued support. The Group will continue to develop and grow while aiming to enhance its financial position and business foundation to create long-term shareholders' value.

OTHER INFORMATION

SHARE OPTION SCHEME

At the annual general meeting of the Company held on 23 June 2022, the shareholders of the Company (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.

The Share Option Scheme is adopted under the relevant requirements of Chapter 17 of the Listing Rules and its purpose is to provide incentives or rewards to the eligible participants thereunder for their contribution or would be contributions to the Group and/or enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group. Eligible participants include any Director (including Non-executive Director and Independent Non-executive Director) or employee (whether full time or part time). The Share Option Scheme, unless otherwise terminated or amended, will remain in force for 10 years from the date of coming into effect.

The maximum number of shares which may be issued upon exercise of all share options to be granted under the Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 10% of the shares of the Company in issue as at the date of approval of the limit and such limit may be refreshed by the Shareholders in general meeting. In addition, the total maximum number of shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the shares in issue from time to time.

The total number of shares issued and to be issued upon exercise of all share options granted and to be granted (including both exercised and outstanding options) under the Share Option Scheme to each eligible participants (other than an Independent Non-executive Director or a substantial Shareholder of the Company or any of their respective associates) in any 12-month period up to and including the date of the latest grant of share options must not exceed 1% of the shares in issue at such date. Any further grant of share options under the Share Option Scheme in excess of this limit is subject to Shareholders’ approval in a general meeting of the Company.

Under the Share Option Schemes, any grant of share options to a Director, chief executive or substantial Shareholder of the Company, or any of their respective associates are subject to approval by the Independent Non-executive Directors. In addition, any share options granted to an Independent Non-executive Director or a substantial Shareholder of the Company, or any of their respective associates, which would result in the shares issued and to be issued upon exercise of all share options already granted or to be granted under the Share Option Scheme (including share options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant (i) representing in aggregate over 0.1% of the shares in issue; and (ii) having an aggregate value (based on the closing price of the shares at the date of grant) in excess of HK\$5 million, such grant of share options by the Board must be approved by Shareholders in general meeting of the Company.

The period within which share options may be exercised under the Share Option Scheme will be determined by the Board in its absolute discretion save that such period shall not be more than 10 years from the date of grant of the share options and that the Board may at its discretion determine the minimum period for which the share options have to be held before the exercise of the subscription right attaching thereto.

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The exercise price of the share options under the Share Option Scheme is determinable by the Board in its absolute discretion, but in any event shall not be less than the highest of: (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheet on the date of grant of such share options; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant of such share options; and (iii) the nominal value of the Company's shares.

The offer of a grant of share options under the Share Option Scheme may be accepted within 21 days from the date of the offer upon payment of a consideration of HK\$1 by the grantee. During the period under review, no share options were granted, lapsed nor cancelled under the Share Option Scheme.

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

Details of share options held by the eligible participants and movements in such holdings during the 6 months ended 30 June 2023 are as follow:

Category/ Name of Grantee	Date of Grant of share options	Exercise period of share options	Exercise price per share as at the date of grant of share options	Number of share options					
				Balance as at 1 January 2023	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	Outstanding as at 30 June 2023
<i>Executive Directors</i>									
CHENG, Kam Chiu Stewart	22 July 2022	22/07/2022 to 21/07/2026	HK\$0.138	50,000,000	-	-	-	-	50,000,000
TANG, John Wing Yan	22 July 2022	22/07/2022 to 21/07/2026	HK\$0.138	-	-	-	-	-	-
<i>Non-executive Director</i>									
LEE, Chi Hin Jacob	22 July 2022	22/07/2022 to 21/07/2026	HK\$0.138	7,500,000	-	-	-	-	7,500,000
<i>Independent non-executive Directors</i>									
YUNG, Chun Fai Dickie	22 July 2022	22/07/2022 to 21/07/2026	HK\$0.138	7,500,000	-	-	-	-	7,500,000
CHIU, Wai On	22 July 2022	22/07/2022 to 21/07/2026	HK\$0.138	7,500,000	-	-	-	-	7,500,000
HUANG, Victor	22 July 2022	22/07/2022 to 21/07/2026	HK\$0.138	7,500,000	-	-	-	-	7,500,000
				80,000,000	-	-	-	-	80,000,000

The total number of share options that may be further granted under the Share Option Scheme as at 1 January 2023 and 30 June 2023 were 745,888,098 Shares, representing 8.47% and 8.51% of the issued share capital of the Company respectively.

The total number of share that may be issued in respect of options granted under all schemes of the Company during the six months ended 30 June 2023 divided by the weighted average number of shares of the relevant class in issue for the period was 0.91%

OTHER INFORMATION

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the sections headed "Directors' Interests in Securities" and "Share Option Scheme", at no time during the period under review was the Company or the Company's subsidiary or holding company or a subsidiary of the Company's holding company a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN SECURITIES

As at 30 June 2023, the interests and short positions of the directors of the Company in shares, underlying shares and debentures in/of the Company and its associated corporation(s) (within the meaning of Part XV of the SFO) ("Associated Corporation(s)") as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and HKSE pursuant to the Securities Model Code were as follows:

LONG POSITIONS IN THE SHARES

Name of Director	Capacity/Nature of interest	Number of Shares Held	Number of Share Options	Percentage of issued share capital of the Company
<i>Executive Directors</i>				
CHENG, Kam Chiu Stewart	Beneficial owner	–	50,000,000	N/A
TANG, John Wing Yan	Beneficial owner (Note 1)	50,000,000	0	0.57%
<i>Non-executive Director</i>				
LEE, Chi Hin Jacob	Beneficial owner	–	7,500,000	N/A
<i>Independent non-executive Directors</i>				
YUNG, Chun Fai Dickie	Beneficial owner	–	7,500,000	N/A
CHIU, Wai On	Beneficial owner	–	7,500,000	N/A
HUANG, Victor	Beneficial owner	–	7,500,000	N/A

Note 1: Mr. TANG, John Wing Yan, the executive Director and Chief Executive Officer of the Company, exercised 50,000,000 share options on 25 July 2022.

Save as disclosed above, there were no interests, whether long or short positions, held or deemed to be interested by any of the Directors or chief executive of the Company in shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), nor had there been any rights to subscribe for any shares, underlying shares or debentures of the Company and its associated corporations held or deemed to be interested by any of them as at 30 June 2023.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30 June 2023, the following persons/corporations had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO and in accordance with information received by the Company.

Long position of substantial Shareholders' interests in issued ordinary shares of the Company

Name of Shareholders	Capacity/Nature of interests	Number of issued ordinary shares held	Approximate percentage of the total issued share capital (note (vii))
Max Sun Enterprises Limited (" Max Sun ") (Note (i))	Beneficially owned	5,737,129,098	65.48%
Chow Tai Fook Nominee Limited (" CTFNL ") (Note (ii))	Interests in a controlled corporation	5,737,129,098	65.48%
Chow Tai Fook (Holding) Limited (" CTFHL ") (Note (iii))	Interests in a controlled corporation	5,761,900,848	65.77%
Chow Tai Fook Capital Limited (" CTFC ") (Note (iv))	Interests in a controlled corporation	5,761,900,848	65.77%
Cheng Yu Tung Family (Holdings) Limited (" CYTFH ") (Note (v))	Interests in a controlled corporation	5,761,900,848	65.77%
Cheng Yu Tung Family (Holdings II) Limited (" CYTFH-II ") (Note (vi))	Interests in a controlled corporation	5,761,900,848	65.77%
Elberta Holdings Limited	Beneficially owned	794,850,000	9.07%

Notes:

As at 30 June 2023:

- (i) The entire issued share capital of Max Sun was legally and beneficially owned by CTFNL.
- (ii) CTFNL held 100% direct interest in Max Sun and was accordingly deemed to have an interest in the shares held by Max Sun.

OTHER INFORMATION

- (iii) CTFHL held 99.70% direct interest in CTFNL and was accordingly deemed to have an interest in the shares of CTFNL.
- (iv) CTFC held 81.03% direct interest in CTFHL and was accordingly deemed to have an interest in the shares of CTFHL.
- (v) CYTFH held 48.98% direct interest in CTFC and was accordingly deemed to have an interest in the shares of CTFC.
- (vi) CYTFH-II held 46.65% direct interest in CTFC and was accordingly deemed to have an interest in the shares of CTFC.
- (vii) The approximate percentage of interests held was calculated on the basis of 8,760,984,988 ordinary shares of the Company in issue.

Save as disclosed above, as at 30 June 2023, the register maintained by the Company pursuant to Section 336 of the SFO recorded no other interests or short positions in the shares or underlying shares of the Company.

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 2023.

OTHER INFORMATION

BOARD COMPOSITION AND BOARD PRACTICES

The Board is collectively responsible for the oversight of the management of the business and affairs of the Group with the objective of enhancing shareholders' value. The Board consists of a total of six Directors, comprising two Executive Directors, one Non-executive Director, and three Independent Non-executive Directors. More than one-third of the Board are Independent Non-executive Directors and more than one of them have appropriate professional qualifications, or accounting or related financial management expertise as required by the Listing Rules. All Directors (including Independent Non-executive Directors) are subject to retirement by rotation once every three years and are subject to re-election in accordance with the Company's Bye-Laws and the CG Code.

All Directors have made active contribution to the affairs of the Board and the Board has always acted in the best interests of the Group. In addition to regular Board meetings, the Chairman meets with the Independent Non-executive Directors without the presence of other Directors at least once every year.

Although the Board and the senior management currently consist of male members only, the Company appreciates the importance of gender diversity and believes that gender diversity will be a representing manifestation of Board diversity among all other measurable objectives. The Board targets to appoint at least one female member to the Board by the end of 2023 in order to comply with Listing Rule 13.92 that came into effect on 1 January 2022.

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 2023.

REVIEW OF INTERIM RESULTS

The interim results of the Group for the six months ended 30 June 2023 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 2023 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.

OTHER INFORMATION

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2023, the Company repurchased a total of 67,104,000 ordinary shares of par value HK\$0.01 each in the share capital of the Company on the Stock Exchange, with the aggregate consideration paid (before expenses) amounting to HK\$7.8 million. A total of 47,896,000 shares have been cancelled subsequently and the remaining 19,208,000 shares have yet been cancelled as at the date of this interim report. As at 30 June 2023, the total number of shares of the Company in issue was 8,760,984,988.

Particulars of the share repurchases are as follows:

Month of Purchase	Numbers of Shares Repurchased	Purchase Price per Share		Aggregate Consideration (Before Expenses) (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
March 2023	2,468,000	0.082	0.081	201,882
April 2023	23,314,000	0.126	0.091	2,514,322
May 2023	22,114,000	0.130	0.114	2,755,568
June 2023	19,208,000	0.125	0.111	2,362,829

The Directors considered that such repurchases would enhance the earnings per share and increase the net asset value per share attributable to the shareholders.

Save as disclosed above, during the six months ended 30 June 2023, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

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

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2023 (2022: Nil).

By order of the Board
CHENG, Kam Chiu Stewart
Chairman

Hong Kong, 29 August 2023