新時代能源有限公司*

NEW TIMES ENERGY corporation limited

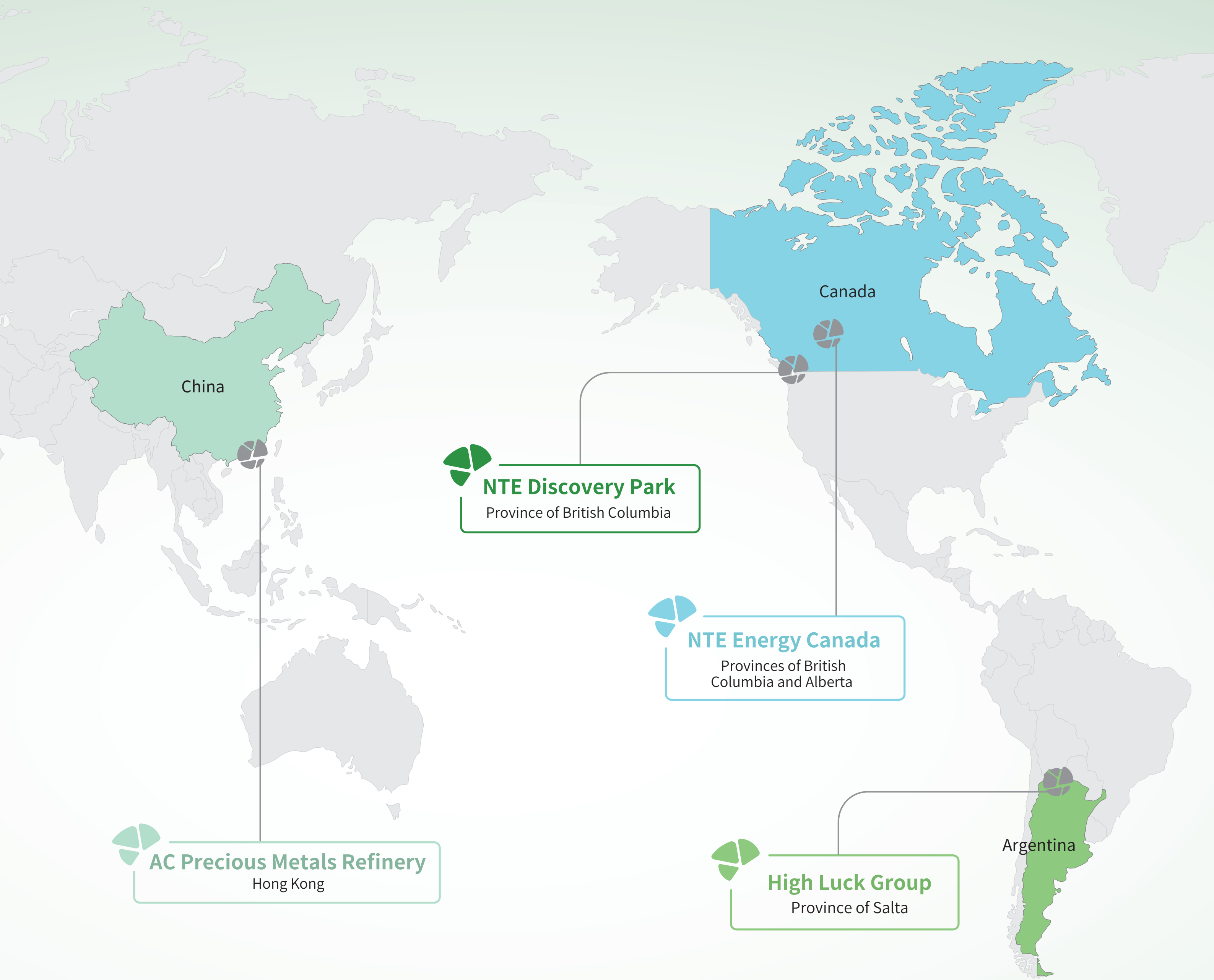
(Incorporated in Bermuda with limited liability)

(Stock code: 00166)

ANNUAL REPORT

2023

*For identification purpose only



OUR BUSINESS

CONTENTS

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
0166.HK

Board Lot
2,000 shares

Financial Year End
31 December

As at 31 December 2023

Number of issued shares:	8,741,776,988 shares
Closing price:	HK$0.069 per share
Market capitalisation:	HK$603.18 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

FINANCIAL HIGHLIGHTS

	Year ended 31 December 2023 HK$ million	Year ended 31 December 2022 HK$ million
Revenue	**26,150.2**	20,913.2
(Loss)/profit before taxation	**(159.6)**	300.7
Adjusted EBITDA ("**EBITDA**") (1)	**167.0**	453.5
(Loss)/profit for the year	**(150.5)**	285.9
(Loss)/earnings per share – basic (HK cent)	**(1.72)**	3.26

	As at 31 December 2023 HK$ million	As at 31 December 2022 HK$ million
Total assets	**1,700.7**	2,165.4
Total equity	**1,192.4**	1,321.6
Debt ratio (2)	**29.9%**	39.0%
Gearing ratio (3)	**Nil**	Nil
Net asset value per share (4) (HK$)	**0.14**	0.15

Remarks:

(1) Adjusted EBITDA is derived from profit before tax, excluding interests, adding back depreciation, amortisation and assets impairment losses

(2) Debt ratio: Total liabilities divided by total assets

(3) Gearing ratio: Interest bearing borrowings divided by total equity

(4) Net asset value per share: Net assets divided by number of issued shares

Dear Shareholders,

On behalf of the Board of Directors (the "**Board**") of New Times Energy Corporation Limited ("**New Times Energy**") and its subsidiaries (collectively, the "**Group**"), I hereby present the annual results and audited consolidated financial statements of the Group for the year ended 31 December 2023.

OVERVIEW OF 2023

New Times Energy recorded a loss after tax of HK$150.5 million and an adjusted EBITDA (Profit before interest, taxes, depreciation, amortisation, and impairment charge) of HK$167.0 million profit for the year ended 31 December 2023.

The loss after tax was mainly attributable to:

(i) lower revenues due to a decline in natural gas commodity price and the prolonged suspension of production caused by widespread wildfires in Western Canada, and an impairment charge of HK$119.9 million against the carrying value of the Group's Canada natural gas assets; and

(ii) a reduction in revenue and profit from the Group's Argentina operations due to an annual hyperinflation of 211%, a devaluation of the Argentina Pesos against the US Dollar in 2023 of 354%, and low domestic oil prices.

The Group remains financially healthy with stable cashflows generated across all its business segments. As of 31 December 2023, the Group had no external borrowings, and possessed highly liquid current assets of HK$832.1 million which consisted of cash and bank balances of HK$796.6 million and HK$35.5 million in financial assets at fair value through profit or loss.

In November 2023, the Group increased its position on the renowned Montney Formation at Wapiti, Alberta, Canada by making a successful crown land bid for three sections of land in West Gold Creek with a total acreage of approximately 1,920 acres on the Montney Formation. The sections are estimated to contain 2P reserves of 2.9 million boe, providing the Group with over two years of premium drilling inventory.

Over the near to medium term, demand for stable energy sources like oil and gas is anticipated to remain strong. The Group is confident its Canadian upstream business will continue to contribute stable positive cashflows in the years ahead, while it strives to work with local authorities and governing bodies to achieve the common goal of reducing carbon emissions.

As the world accelerates towards a low carbon economy, New Times Energy is embarking on its own energy transition initiative. Plans to redevelop and transform the Group's 1,200 acres (4.9 km^2) Discovery Park site at Campbell River, British Columbia from a former pulp mill into a green ecosystem hub powered by hydroelectricity have commenced.

CHAIRMAN'S STATEMENT

GREEN ECOSYSTEM HUB POWERED BY SUSTAINABLE ENERGY

New Times Energy's vision is to attract and establish the following facilities at Discovery Park:

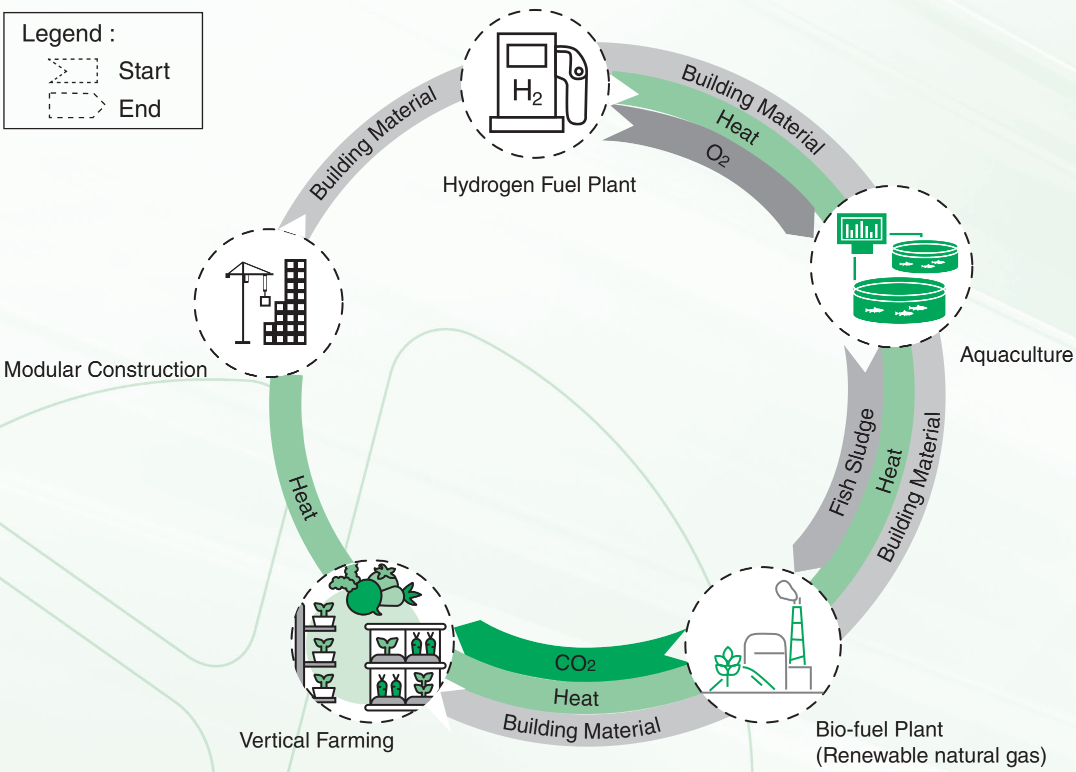
1. Hydrogen/green ammonia plant,

2. Inland aquaculture facility, and

3. Renewable natural gas facility to utilise the abundant supply of biomass in the vicinity.

The Group is progressing on all thee propositions, and are in negotiations with potential developers both from the private and public sectors. Furthermore, the Group has plans to set up vertical farming and modular construction manufacturing facilities to create a circular economy at Discovery Park.

Figure 1: Illustration of the Green Ecosystem Hub at Discovery Park



Modular construction will provide on-site building materials for all four industries while secondary outputs are recycled as such:

- Excess heat and oxygen from the hydrogen/green ammonia plant are reutilised in aquaculture operations,
- Fish sludge is a suitable biomass raw material for the renewable natural gas facility, and
- Carbon dioxide and excess heat from the production of renewable natural gas can be reutilised in vertical farming operations.

By redeveloping Discovery Park into a green ecosystem hub, the Group can create economic value by reducing waste, and contribute to better sustainability, climate protection and resource efficiency. It will define the industrial park of the future for a green economy.

In Argentina, the Group managed to operate the most productive conventional oil well in the country and generate cash surplus to repatriate to head office for reinvestment during the year. The country continues to present its unique set of challenges including low domestic oil prices, hyperinflation, currency devaluation, capital controls, bureaucracy, and labour union unrest. The Group's total exposure in Argentina accounted for only 1.4% of total net assets of the Group as of 31 December 2023.

New Times Energy's commodities trading business (predominantly physical gold and silver trading) continued to perform solidly and grew its trade volumes year on year. Construction of the Group's new refinery plant for precious metals was completed in October 2023 and currently is undergoing trial runs. The Group is optimistic that upon commercial operation, the new in-house precious metals refining business will further strengthen overall profitability.

LOOKING FORWARD

New Times Energy is mindful of the global shifts towards a low carbon/net zero emissions future, particularly in the developed economies. While our principal business is that of oil and gas exploration and production, the Group is already taking steps to transform its business model into one that increasingly focuses on green energy, waste elimination and social responsibility. With the support and cooperation of key stakeholders in Campbell River, the redevelopment of Discovery Park into a green ecosystem hub will provide a viable pathway.

New Times Energy continues to actively manage and structure its business to best serve the interests of its shareholders. It is committed to maximising shareholder value by exploring and developing oil and gas prospects in a safe, environmentally, socially, and ethically responsible manner. Environmental and sustainability considerations will continue to play an increasingly key role in the way the Group conducts its future business.

The Group understands the need to continually reassess and diversify its current business and geographical portfolio to better position itself for the future. It is also critical that the Group continues to maintain a healthy cash position to enable it to actively seek out value adding and complementary investment opportunities in the energy sector, wherever that may be in the world.

APPRECIATION

In closing, I would like to take this opportunity to express my sincerest gratitude to the Board, the management team, and all staff for your efforts and dedication during the year. I am, as always, much obliged to our shareholders, investors, business partners, bankers, customers, and suppliers for your continued and invaluable support.

CHENG, Kam Chiu Stewart
Chairman

Hong Kong, 25 March 2024

MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

New Times Energy Corporation Limited is an investment holding company, engaged in the business of energy transition towards a target of net zero. The group concurrently owns upstream oil and gas assets for exploration, development and production in Canada and South America. Since 2020, the Group has been active in the trading of physical precious metal (mainly gold and silver), and is currently establishing a precious metals refinery with an annual capacity of fifty metric tons.

With a global shift towards a low carbon future, the Group is embarking on its own transition journey. The Group's vision is to create a circular economy at Discovery Park, Campbell River, British Colombia, Canada by bringing together complementary eco-friendly businesses for sustainability.

GENERAL REVIEW

For the year ended 31 December 2023, the Group recorded a loss after tax of HK$150.5 million and an adjusted EBITDA (Profit before interest, taxes, depreciation, amortisation, and impairment charge) of HK$167.0 million profit.

The loss after tax was mainly attributable to the following factors:

(i) a precipitous decline in natural gas commodity price and the extreme widespread of wildfire in Western Canada, forcing the prolonged suspension of natural gas production, which resulted in a loss of revenue, and an impairment charge of HK$119.9 million against the Group's carrying value for natural gas assets in Canada; and

(ii) a reduction in revenue and profit from the Group's Argentina operations, primarily due to an annual hyperinflation rate of 211% and a devaluation of the Argentina Peso against the US Dollar in 2023 of 354%. Lower Argentina domestic oil price during the year also adversely affected the financial performance of the Group's Argentina operations.

The impairment charge of the Group's oil and gas assets is a non-cash item and does not have an impact on the Group's cash flow. Should there be changes in circumstances, such as a significant rebound of natural gas commodity prices, the Group may recognise a reversal of impairment loss in the future.

The Group remains financially healthy with stable cashflows generated across all its business segments. As of 31 December 2023, the Group had no external borrowings, and possessed highly liquid current assets of HK$832.1 million which consisted of cash and bank balances of HK$796.6 million and HK$35.5 million in financial assets at fair value through profit or loss.

As the world accelerates towards a low carbon economy driven by the Paris Agreement, the Group is embarking on its own energy transition endeavour. The Group is committed to redeveloping its 1,200 acres (4.9 km^2) Discovery Park site situated at Campbell River, British Columbia, Canada into a green ecosystem hub by hosting ecofriendly businesses including hydrogen/green ammonia production, bio-fuel production, aquaculture, vertical farming, and modular construction. 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, whilst contributing to better sustainability, climate protection and resource efficiency.

In Argentina, where the political and economic landscape is uniquely challenging, the Group managed to operate the most productive conventional oil well in the country and repatriate cash surplus to head office for reinvestment during the year. The Group continues to evaluate options with its Argentina investment.

The Group's commodities trading business (predominantly physical gold and silver trading) continued to perform solidly and grew its trade volumes year on year. Trial runs of the Group's new 10,000 square foot refinery plant for precious metals commenced in October 2023 after the completion of constructions works. The Group is optimistic that upon commercial operation, the new in-house refining process will further strengthen the Group's overall profitability.

The Group operates under a strong Environmental, Social and Governance ("**ESG**") mandate and is passionate in the investment and future development of green energy for global sustainability. It is actively exploring ways to collaborate with local authorities, governing bodies, and key stakeholders to ultimately 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, NTE Energy Canada Limited ("**NTEC**"), consist of over 800 active wells and spanning approximately 761,000 acres (3,080 km^2) of land. They are situated in four locations in the Western Canadian Sedimentary Basin, namely Greater Sierra Area ("**GSA**") and Horn River Basin ("**HRB**") 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.

In November 2023, NTEC increased its position on the renowned Montney Formation at Wapiti by making a successful crown land bid for 100% working interest of three sections of land with a total acreage of approximately 1,920 acres with full PNG (Petroleum and Natural Gas) rights in West Gold Creek, Alberta. The sections are estimated to contain Proved plus Probable (2P) reserves of 2.9 million boe, with an approximate split of 45% oil, 45% natural gas and 10% natural gas liquids. The reserves estimation was based on a four well drilling program across two out of the three sections of land.

According to GLJ Limited, an independent Canadian oil and gas resource consulting firm, the Group's assets in Wapiti, Alberta, Canada (including, but not limited to the areas in the Montney Formation which the Group acquired in November 2023) is valued at approximately HK$226 million. However, due to relevant accounting standards, the Group was unable to recognise the associated fair value gain in its 2023 annual results.

The four locations in total are estimated to contain Proved (1P) reserves of 24.4 million boe (2022: 26.1 million boe) and Proved plus Probable (2P) reserves of 30.7 million boe (2022: 34.1 million boe), attributable to the Group.

During the year ended 31 December 2023, NTEC's average daily oil and gas production was 11,100 boe per day (95% natural gas). Production at NTEC's HRB and GSA facilities were interrupted for part of year due to wildfires in the vicinity, prompting local authorities and emergency services to enforce evacuation orders. The production suspensions of HRB between July to September, and GSA between September to October, curtailed NTEC's daily output by 3,200 boe and 7,700 boe respectively.

Due to depressed Canada natural gas prices and the forced production suspensions at HRB and GSA, NTEC's annual revenue was HK$475.8 million, a decrease of 47.2% as compared to the 2022 year. The average realised price in 2023 was C$20.2/boe, in contrast to C$35.2/boe the previous year.

Based on latest forecasts by independent consultants, there is consensus that there will be a rebound in Canada's energy commodity prices, albeit possibly not as accelerated or to the record levels witnessed during the first half of last year, immediately after the Russian invasion of Ukraine in February 2022. Owing to the subdued outlook of energy commodity prices, the Group took a HK$119.9 million non-cash accounting impairment charge during the year, against the carrying value of its Willesden Green, Canada assets. Subject to future energy commodity price trends, the Group will contemplate a reversal of impairment, when appropriate.

Following a successful optimisation campaign to enhance the production of certain 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 Canada production increased by approximately 1,150 boe per day.

Besides optimising production rates, NTEC has sought process efficiency improvements and cost rationalisation opportunities to maximise financial performance. Key initiatives in progress include renegotiating fees levied by natural gas pipeline and processing intermediaries and cutting NTEC's carbon emissions to reduce the carbon tax burden, both a significant expense for the business.

NTEC pays an average of approximately C$0.9 million per month in carbon tax. The availability of approved carbon offsetting schemes from British Colombia Government would help in reducing NTEC's carbon footprint from its natural gas production. NTEC hopes that it will be in a concrete position to propose projects that work towards the goal of lowering carbon emissions and ultimately achieve net-zero. Carbon reduction activities already underway include conducting energy audits on all NTEC operated facilities and a feasibility study to modify the configuration of GSA's gas plant.

With an anticipated rebound in energy commodity prices and NTEC's efficiency initiatives, the Group is optimistic of improved profitability and cashflows in the new fiscal year ahead.

Discovery Park at Campbell River, British Colombia

The Group via its wholly owned subsidiary, NTE Discovery Limited, operates Discovery Park at Campbell River, British Columbia ("**BC**"), a 1,200 acres (4.9 km^2) site, providing industrial land parcels, buildings, and warehouses for development and leasing. Onsite facilities include a substation with access to renewable hydroelectricity, solid industrial waste landfill to handle hazardous substance disposal needs, a complimentary wastewater treatment facility, ample supply of freshwater from Campbell River, 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 paper and 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 interdependent businesses such as hydrogen/green ammonia production, renewable natural gas/biofuel production, aquaculture, vertical farming, and modular construction to form a self-contained mutually beneficial loop, where the by-products generated by one business activity can be harnessed as production inputs by the other business activities.

As the world clean energy transitions, the global demand for hydrogen/green ammonia is poised to increase significantly. Hydrogen is gaining traction as a potentially viable fuel solution to reduce carbon emissions by the shipping, transportation, automotive, and heavy industries. With an abundant supply of freshwater available at Discovery Park and ecofriendly hydroelectricity from BC Hydro, the Group is keen to capture a share of this fast-growing hydrogen/green ammonia market by establishing a production plant on site. During the year, the Group extensively negotiated with potential developers and stakeholders both from the private and public sector to bring this project to fruition. Concurrently, the Group is aiming to set up a renewable natural gas/biofuel production facility using hog fuel as raw material, and fish sludge in the future.

The Group's efforts to seek established ag-tech companies to partner, develop and operate vertical farming system to provide efficient, localised food supply solutions continues. Discovery Park will contribute to redefining the way traditional agriculture is being conducted for certain food groups, by overcoming seasonal and climate constraints, and eliminating wasteful long supply chain that benefit the Western Canadian people, resources, and economy. Furthermore, the Group's negotiation with three fish farming companies, who have earlier expressed their interest to develop inland aquaculture facilities at Discovery Park, capable of producing Atlantic salmon and other breeds are progressing in earnest.

Demolition of the disused paper and pulp facilities at Discovery Park is already 25% complete.

A masterplan for the redevelopment of Discovery Park is progressing. The redevelopment will include rezoning the landmarks to increase the area available for commercial and residential purposes. Identifying potential subdivision of land, increasing the overall occupant density for the entire site, upgrading current facilities, and the construction of new facilities to fulfil the Group's ESG mandate to turn Discovery Park into a green ecosystem hub, able to accommodate hydrogen/green ammonia production, renewable natural gas/biofuel production, aquaculture, vertical farming, and modular construction.

The Group is conducting a systems impact study (SIS) with BC Hydro for the provision of 300MW of hydroelectricity at Discovery Park. Presently Discovery Park contains an electrical substation that is connected to two 138 kV transmission lines, providing environmentally friendly hydroelectricity, sourced from a dam approximately 6 km away from the site at a rate as low as C$0.05/kWh.

With the support and cooperation from the First Nation of Campbell River, local and federal government, BC Hydro and key stakeholders, the Group is focused in transforming Discovery Park into a green ecosystem hub, consistent with the Group's ESG mandate and global efforts towards a net-zero/low-carbon economy. It will define the industrial park of the future for a green economy.

ARGENTINA

Operations update

Los Blancos

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

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

During the 2023 year, High Luck continued to steadily produce light crude oil unaided at an average rate of 1,228 barrels per day, under a stable and high wellhead pressure, with an API index of approximately 37°, and zero water content, free of sulphur 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 Argentina before output was scaled down in the fourth quarter of 2023, due to the temporary shutdown of Refinor, a major customer in Northern Argentina.

On 15 November 2023, the arbitration initiated by Pampa against High Luck in June 2021 over a dispute of approximately US$0.2 million (equivalent to HK$1.4 million) arising from a difference in interpretation of the Farm-Out Agreement was successfully ruled in High Luck's favour. Pampa's frivolous and abusive compensation demand for the restitution of High Luck's 50% participating interest in Los Blancos was quashed by the arbitrators. Pampa, in their unrelenting attempt to nullify High Luck's operatorship, subsequently initiated a second arbitration. This time alleging High Luck in its capacity as the operator of Los Blancos had mismanaged the concession. The Group is represented by the law firm Marval, O'Farrell & Mairal.

On 18 January 2024, oil production at Los Blancos was precautionarily suspended after the detection of water, together with an observable drop in well head pressure. Following advice sought from Netherland, Sewell & Associates, Inc. (NSAI), an internationally renowned petroleum consulting firm, Los Blancos subsequently resumed oil production on 27 February 2024 at a managed rate of approximately 270 bopd at 100% working interest, before increasing to approximately 550 bopd to preserve integrity of the LB.x-2001 well to the fullest extent.

Tartagal Oriental & Morillo

Prior to the expiry of the Tartagal Oriental & Morillo ("**TO&M**") exploration permit which the Salta provincial authorities refused to grant an extension on 13 September 2019, the Group was a 69.25% participating interest holder and operator of the concessions. Despite having invested over US$100 million in qualifying exploratory drilling and related activities over the years (exceeding the Group's original US$45 million commitment to the province), the Group is alleged to have outstanding capital commitments due. Following a series of legal and administrative procedures, hierarchical appeals and reappeals between the Group and the Salta provincial authorities, the protracted dispute remains unresolved and ongoing. The Group made full impairment provision against the TO&M asset value in 2019 fiscal year.

Devaluation of the Argentine Pesos and Hyperinflation

For the year ended 31 December 2023, the ARS devalued by 354% against the US$ to a rate of US$1: ARS808, whilst annual inflation reached a record 211%. Faced with depressed domestic oil prices (historically around 30% below prevailing Brent), Argentina remains a difficult country to operate. Due to the challenging political and economic climate, which is not expected significantly improve anytime soon, the Group continues to assess options for High Luck.

The Group's total exposure in Argentina accounted for only 1.4% of total net assets of the Group as of 31 December 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

COMMODITIES REFINERY AND TRADING

Operating under the registered name of AC Precious Metals Refinery Limited ("**ACPMR**"), the Group's physical precious metals refinery and trading business is jointly operated with Cheung's Gold Traders Limited ("**CGTL**"), an established and reputable intermediary in the industry, 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 instruments.

During 2023, the Group's physical gold and silver refinery and trading business recorded an annual trading volume of HK$25,616.9 million and a segment profit of HK$21.8 million. Robust trade volumes attributable to buoyant gold prices and better bid/ask spread contributed to the Group's strong financial performance compared to the previous year.

In October 2023, the Group completed the construction and commenced trial runs of its new 10,000 square foot refinery plant for precious metals, after overcoming supply chain issues which delayed the importation of specialist equipment. Trademark and accreditation applications filed under the ACPMR brand name in Hong Kong and Macau were successfully granted by the relevant authorities during the year.

Upon full commercial operation, the Group's new refinery will have the capacity to process approximately fifty tonnes of 99.9% gold per annum. CGTL will be responsible for the day-to-day operation of the new refinery plant with working capital and financing provided by ACPMR. The Group's total investment to date on this venture is approximately HK$27 million.

By integrating precious metals refining processes in-house, it enables the Group to streamline activities and further enhance its profitability.

OUTLOOK FOR 2024 AND BEYOND

As the world accelerates towards a low carbon economy, the Group is committed in its energy transition journey. Plans to revitalise and transform Discovery Park from a former paper and pulp mill into a green ecosystem hub have begun. The Group's vision is to develop and attract complementary industries including hydrogen/green ammonia production, biofuel production, aquaculture, vertical farming, and modular construction to create a circular economy at Discovery Park. By redeveloping the site into a green ecosystem hub, the Group can deliver economic value by reducing waste, and contributing to better sustainability, climate protection and resource efficiency. The Group is resolute in its efforts towards achieving net-zero through its redevelopment of Discovery Park.

The Group will be drilling in the renowned Montney Formation in Wapiti, Alberta, Canada with an anticipated spud date of September 2024.

With a strong financial position and stable cash flows generated by the Group's current operations, the Group is excited by the prospects and benefits that redeveloping Discovery Park can bring. With the support and cooperation from the First Nation of Campbell River, local and federal governments, and vested stakeholders, the Group is committed to positive environmental change by building a green ecosystem hub that is restorative, regenerative, circular, and sustainable.

With a strengthening of energy commodity prices anticipated, the Group is hopeful of improved results for its oil and gas operations in Canada and Argentina. The Group's new gold and silver refinery is 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 lower carbon emissions for global sustainability.

FINANCIAL REVIEW

The Group's revenue for the year ended 31 December 2023 amounted to HK$26,150.2 million (2022: HK$20,913.2 million), of which HK$533.3 million of the total revenue were derived from sales of oil and gas products in the upstream business (2022: HK$1,002.6 million) and the remaining HK$25,616.9 million were from the sales in the general and commodities refinery and trading business (2022: HK$19,910.7 million). The decline in revenue from oil and gas products by HK$469.3 million as compared to last year was mainly due to global energy price fluctuations. Sales in the general and commodities refinery and trading business increased as the Group continued to expand the gold trading business.

Gross loss for the year was HK$136.9 million (2022: gross profit of HK$421.4 million), mainly due to the latest outlook for energy commodity prices, the Group recognised a HK$119.9 million non-cash accounting impairment charge against its Willesden Green, Canada assets, in addition a sharp decline in average Canadian natural gas price by approximately 50% and a drop in average Argentine oil price by approximately 15% as compared to last year also contributed to the loss.

A net investment loss of HK$20.9 million was recognised during the year from the Group's investments in financial assets at fair value through profit or loss (2022: gain of HK$25.0 million), as the performance of certain investments in listed equity securities have worsen during 2023.

General and administrative expenses for the year were HK$108.3 million, a decrease of HK$22.6 million as compared to last year of HK$130.9 million resulted mainly from cost saving measures implemented and reduction of overall staff costs.

Finance costs for the year were HK$54.6 million, which represented imputed interest from lease liabilities and provisions, increased by approximately one-fold as compared to last year of HK$27.8 million from the changes in provisions estimation of the Canadian operations.

Income tax credits for the year were HK$9.1 million (2022: expenses of HK$14.8 million), mainly arising from adjustments in deferred tax charges in Argentina.

Loss attributable to the owners of the Company amounted to HK$150.5 million for the year (2022: profit of HK$285.9 million). Basic and diluted losses per share for the year were 1.72 HK cents (2022: basic and diluted earnings per share for the year: 3.26 HK cents).

The Board does not recommend the payment of final dividend for the year ended 31 December 2023 (2022: Nil).

As at 31 December 2023, the Group has a net working capital of HK$134.3 million (2022: HK$193.9 million), which included inventories, trade receivables and trade payables. The decrease in net working capital is mainly from settlement of trade receivables as at year-end.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

In respect of the net proceeds of approximately HK$736.4 million ("**Open Offer Proceeds**") raised from the open offer in April 2017, amongst which HK$574.7 million had been used from the date of subscribing the open offer to 31 December 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 2023, the unused balance of the Open Offer Proceeds was HK$161.7 million.

The following table summarises the use of net proceeds for the Open Offer Proceeds for the year ended 31 December 2023:

	Unused amount of net proceeds as at 31 December 2022 HK$ million	Actual use of net proceeds during the year ended 31 December 2023 HK$ million	Unused amount of net proceeds as at 31 December 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 31 December 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 economic hedging purposes in order to mitigate the financial impact from price fluctuations on inventories of precious metals and gold bullion held by the Group. The use of these derivative financial instruments is closely monitored and controlled by the Group.

As at 31 December 2023, the Group's net current assets amounted to approximately HK$775.5 million (2022: HK$855.4 million) with cash and bank balances of HK$796.6 million (2022: HK$851.2 million). Highly liquid assets, including cash and bank balances, listed equity securities and gold investment, were HK$829.3 million (2022: HK$905.4 million). Cash and bank balances of the Group as at 31 December 2023 were mainly denominated in Hong Kong Dollar, United States Dollar, Canadian Dollar, Argentine Peso and Renminbi.

As at 31 December 2023, total equity of the Group was HK$1,192.4 million (2022: HK$1,321.6 million). Net asset value per share was HK$0.14 (2022: HK$0.15). Debt ratio, calculated as total liabilities divided by total assets, was 29.9% (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 31 December 2023, the Group did not have unsecured debt securities and unsecured short-term loans (2022: Nil). Therefore, the Group's gearing ratio, calculated on the basis of interest bearing borrowings divided by total equity, was 0% (2022: 0%).

Charge on Assets

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

Contingent Liabilities

As at 31 December 2023, save as disclosed in Note 36 of the consolidated financial statements, the Group did not have any material contingent liabilities (2022: Nil).

Capital Commitments

As at 31 December 2023, details of the capital commitments of the Group are set out in Note 35 of the consolidated financial statements.

Principal Risks and Uncertainties

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

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

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

In addition to the above, the Group's Canadian operation is subject to wildfire risk which may adversely affect its natural gas production, the Group will continue monitoring the impact on production from wildfire hazard and adopt measures to mitigate the risk including insurance coverage on natural disasters.

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

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

Foreign Exchange Exposure

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

Employees

As at 31 December 2023, the Group employed a total of 142 (2022: 132) permanent employees in Hong Kong, Canada, Argentina and China. Total employee remuneration (including directors' remuneration and benefits) for the year ended 31 December 2023 was amounted to HK$94.6 million (2022: HK$102.6 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 36 of the consolidated financial statements, there was no material or significant dispute between the Group and its suppliers, customers and/or stakeholders during the year ended 31 December 2023.

Material Acquisitions and Disposals

The Group has neither material acquisitions nor disposals of subsidiaries, associated companies, and joint ventures during the year ended 31 December 2023.

Significant Investments

As at 31 December 2023, the Group held financial assets at fair value through profit or loss, which comprised of listed equity securities, listed debt security and unlisted fund, of HK$35.5 million (2022: HK$55.9 million), of which none constituted significant investments of the Group as no single investment accounted for more than 5% of the Group's total assets.

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

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed above, the Group does not have any material subsequent events after 31 December 2023 and up to the date of this annual report.

CANADA

The reserves attributable to the Group, expressed in million barrels of oil equivalent ("**mmboe**") are as follows:

	Reserves as at 31 December 2023		
	Proved (in mmboe)	**Probable (in mmboe)**	**Total (in mmboe)**
Mineral Acreage			
Greater Sierra Area	**15.8**	**4.2**	**20.0**
Horn River Basin	**4.5**	**0.8**	**5.3**
Willesden Green	**0.6**	**0.1**	**0.7**
Wapiti	**3.5**	**1.2**	**4.7**
	24.4	**6.3**	**30.7**

	Reserves as at 31 December 2022		
	Proved (in mmboe)	Probable (in mmboe)	Total (in mmboe)
Mineral Acreage			
Greater Sierra Area	17.9	5.4	23.3
Horn River Basin	5.6	1.7	7.3
Willesden Green	1.0	0.4	1.4
Wapiti	1.6	0.5	2.1
	26.1	8.0	34.1

Notes:

(1) The technical report in respect of the reserves attributable to the Group as at 31 December 2023 and 2022 was prepared using probabilistic methods by GLJ Ltd., an oil and gas resource consulting firm located in Calgary, Canada, providing petroleum resource assessment and related services worldwide, in accordance with the procedures and standards contained in the Petroleum Resources Management System (PRMS) of the Society of Petroleum Engineers (SPE).

(2) Horn River Basin and Greater Sierra Area is located in the province of British Columbia, and Willesden Green and Wapiti is located in the province of Alberta.

(3) The Group holds approximately 92% average working interest in the mineral acreage on a Held By Production ("**HBP**"). HBP leases are continued indefinitely as long as there are producing wells on the leases and annual mineral rentals are paid. If production ceases, the government can issue a one-year notice to return wells to production or mineral rights can revert to the Crown. In British Columbia, a well requires 720 hours of production per year to be considered productive. In Alberta, 12 months of continuous non-production result in an inactive designation.

(4) The above reserves mainly comprise of natural gas (approximately 95%), natural gas liquid and oil.

LOS BLANCOS CONCESSION

The oil reserves in the Los Blancos Concession are as follows:

	At 31 December 2023 Oil (in mmbbl)	At 31 December 2022 Oil (in mmbbl)
Reserves		
Proved	**0.5**	0.5
Probable	**0.7**	0.8
	1.2	1.3

Notes:

(1) In July 2016, the Group became a 50% participating partner in the Los Blancos Concession (formerly known as Chirete Concession) having met all the conditions precedent as stipulated in the farm-in agreement entered into with Pampa in April 2015.

(2) The technical report in respect of the reserves as at 31 December 2023 and 2022 was prepared using probabilistic methods by Netherland Sewell & Associates, Inc (NSAI), a US based petroleum consulting firm, providing petroleum resource assessment and related services worldwide, in accordance with the procedures and standards contained in the Petroleum Resources Management System (PRMS) of the Society of Petroleum Engineers (SPE).

In October 2018, the Group spudded the HLG.St.LB.x-2001 exploratory well (the "**Well**"). The Well was completed in December 2018. As a result of the positive indications from the Well, the Group prepared and submitted an oil discovery report to the provincial authorities of Salta (the "**Authorities**") on 26 December 2018. Following successful extended testing of the Well in early 2019, the Group filed a commerciality declaration and exploitation permit request to the Authorities on 26 April 2019. The permit was granted on 15 October 2020 under Decree 622/20, formally entitling the Group to produce crude oil in the area for the next 25 years.

EXECUTIVE DIRECTORS

Mr. CHENG, Kam Chiu Stewart, aged 69, was appointed as an executive Director in February 2008 and the Chairman in May 2009. Mr. Cheng holds a Bachelor's degree in Civil and Environmental Engineering from the University of Wisconsin-Madison, the United States of America ("**USA**"); a Master's degree in Civil Engineering from the University of California, Berkeley, USA; and a Master's degree in Business Administration from the Chinese University of Hong Kong. Also, Mr. Cheng has been awarded the 21st Honorary Fellowship by The Chinese University of Hong Kong in May 2023. Being a member of The Hong Kong Institution of Engineers, Mr. Cheng is a professional engineer with extensive experience in property development and construction management.

Mr. Cheng joined Hip Hing Construction Company Limited in 1984 as a project manager and was subsequently appointed as director. From 1993 to 1997, Mr. Cheng was transferred to New World Development (China) Limited as a director and an assistant general manager, overseeing property development in the People's Republic of China ("**PRC**"). He was a director of NWS Service Management Limited from 1997 to 2006, and was mainly responsible for the construction and the electrical and mechanical engineering businesses and pursuing business opportunities in the PRC. Mr. Cheng is the managing director of Cheung Hung Development (Holdings) Limited, principally engaging in property development in both Hong Kong and the PRC. He was an executive director of International Entertainment Corporation from January 2008 to June 2017, which shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Mr. TANG, John Wing Yan, aged 71, was appointed as an executive Director and the Chief Executive Officer in June 2017. Mr. Tang joined the Group as general manager in August 2015. He brings with him over 20 years of senior management experience and has held top executive positions with various international companies prior to joining the Group.

Formally trained as a structural engineer, Mr. Tang was a Chartered Engineer in the United Kingdom ("**UK**") as well as a Registered Professional Engineer in USA and Canada. Author and co-author of peer-reviewed publications in several technical journals and conferences, he is also the holder of U.S. Patent US6329589 pertaining to wireless transmission of solar power for exterior curtain wall in buildings.

Mr. Tang holds a Bachelor's degree in Civil Engineering, Magna Cum Laude, from the University of Massachusetts, USA; a Master's degree in Engineering from the University of California, Berkeley, USA; and a Graduate-Level Diploma in Financial Engineering from Stanford University, USA.

NON-EXECUTIVE DIRECTOR

Mr. LEE, Chi Hin Jacob, aged 41, was appointed as a non-executive Director in March 2019. Mr. Lee is currently a senior vice president of Chow Tai Fook Enterprises Limited ("**CTFE**") with responsibilities in making strategic and private equity investments globally. CTFE is an indirect subsidiary of Chow Tai Fook Capital Limited which is a controlling shareholder of the Company. Mr. Lee joined CTFE in March 2013 and has over 15 years of professional experience in corporate finance, investment, international capital markets and asset management. He previously worked at the investment banking department of The Hongkong and Shanghai Banking Corporation Limited and Deutsche Bank AG in Hong Kong. Mr. Lee holds a Master of Science degree in Accounting and Finance from The London School of Economics and Political Science to the University of London in London, United Kingdom and a Bachelor of Business Administration degree from the University of Michigan in Ann Arbor, United States of America. He is also a Chartered Financial Analyst Charterholder.

Mr. Lee is currently a non-executive director of Integrated Waste Solutions Group Holdings Limited (stock code: 923) and Giordano International Limited (stock code: 709) which shares are listed on the Stock Exchange and is also a member of the HKSAR Financial Reporting Review Panel.

INFORMATION OF DIRECTORS

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. YUNG, Chun Fai Dickie, aged 71, was appointed as an independent non-executive Director in March 2013. Mr. Yung holds a Master's degree in Business Administration from the University of East Asia, Macau. He is a member of the Institute of Management and a fellow of the Chartered Management Institute. Mr. Yung has been engaged in finance and banking businesses for over 27 years. He was the chief executive officer of Landbridge Holdings Limited, the deputy chief executive officer of Industrial & Commercial Bank of China (Macau) Limited and an executive director, deputy general manager and alternate chief executive officer of Industrial & Commercial International Capital Limited (currently known as ICBC International Holdings Limited), a wholly-owned subsidiary of Industrial & Commercial Bank of China Limited.

Mr. CHIU, Wai On, aged 54, was appointed as an independent non-executive Director in November 2006. Mr. Chiu is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants in the UK. He possesses extensive professional experience in accounting and auditing services. Mr. Chiu is currently an independent non-executive director of DeTai New Energy Group Limited (stock code: 559), whose shares are listed on the Stock Exchange.

Mr. HUANG, Victor, aged 52, was appointed as an independent non-executive Director in June 2020. Mr. Huang has over 30 years of experience in professional accounting, capital market and merger and acquisition. Mr. Huang joined PricewaterhouseCoopers Hong Kong in January 1993 and admitted to partnership in July 2005. He left PricewaterhouseCoopers Hong Kong in July 2014. From July 2014 to August 2017, he was a partner of KPMG in Hong Kong.

Mr. Huang is currently an independent non-executive director of (i) Qingdao Haier Biomedical Co., Ltd. (stock code: 688139.SH), a company listed on the Sci-Tech Innovation Board of the Shanghai Stock Exchange; and the following companies which are listed on the Hong Kong Stock Exchange, namely (ii) COSCO SHIPPING Energy Transportation Co., Ltd. (stock code: 1138), (iii) ManpowerGroup Greater China Limited (stock code: 2180), (iv) Scholar Education Group (stock code: 1769), (v) Shandong Hi-Speed New Energy Group Limited (stock code: 1250) and (vi) Topsports International Holdings Limited (stock code: 6110). Mr. Huang was an independent non-executive director of Trinity Limited (stock code: 0891) from December 2018 to December 2020, China Bright Culture Group (stock code: 1859) from February 2020 to November 2020, Evergrande Property Services Group (stock code: 6666) from November 2020 to November 2021, and Laobaixing Pharmacy Chain Joint Stock Company (stock code: 603883.SH), a company listed on the Shanghai Stock Exchange, from February 2018 to February 2024.

Mr. Huang is a member of the Hong Kong Institute of Certified Public Accountants and The Hong Kong Independent Non-Executive Director Association. He is also a Certified Independent Non-executive Director by the Shanghai Stock Exchange. Mr. Huang received a bachelor's degree of arts from the University of California, Los Angeles in September 1992.

SENIOR MANAGEMENT

Senior management includes Mr. CHENG, Kam Chiu Stewart and Mr. TANG, John Wing Yan, both are executive Directors of the Company. Please refer to the section headed "Information of Directors" in this annual report for their biographies.

DIRECTORS' REPORT

The board (the "**Board**") of directors (the "**Directors**") of New Times Energy Corporation Limited (the "**Company**") present their report together with the audited consolidated financial statements of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2023 (the "**Year**").

PRINCIPAL ACTIVITIES

The Company is an investment holding company incorporated in Bermuda with limited liability. The activities of its principal subsidiaries are set out in Note 19 to the consolidated financial statements.

BUSINESS REVIEW

An overview and the outlook of the Group's business are provided in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" of this annual report. Save as disclosed in the above sections, there are no significant events affecting the Group that had occurred since the end of the Year up to the date of this annual report.

The financial risk management objectives and policies of the Group are disclosed in Note 3 to the consolidated financial statements. An analysis of the Group's performance using financial key performance indicators are set out in the section headed "Financial Highlights" of this annual report.

An account of the Group's relationship with its key stakeholders and discussions on the Group's environmental policies and performance are included in the respective sections headed "Corporate Governance Report" and "Environmental, Social and Governance Review".

COMPLIANCE WITH LAWS AND REGULATIONS

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

The Company was not involved in any material litigation or arbitration during the Year. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group during the Year.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2023 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 72 to 73 of this annual report.

No interim dividend (2022: Nil) was paid during the Year and the Board did not recommend any payment of a final dividend for the Year (2022: Nil). As at the date of this annual report, the Board is not aware of any shareholders who have waived or agreed to waive any dividends.

FIVE-YEAR FINANCIAL SUMMARY

A financial summary of the Group for the last five financial years, as extracted from the audited financial statements, is set out on page 147 in this annual report. This summary does not form part of the audited consolidated financial statements.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed during the period from Monday, 17 June 2024 to Thursday, 20 June 2024 (both days inclusive), during which no transfers of shares will be registered, for the purpose of determining shareholders' entitlement to attend and vote at the forthcoming annual general meeting to be held on Thursday, 20 June 2024 (the "**AGM**"). In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Friday, 14 June 2024.

MATERIAL INVESTMENTS, ACQUISITIONS OR DISPOSALS

For the year ended 31 December 2023, the Group did not have any material investments, acquisitions or disposals of subsidiaries, associates or joint ventures.

There was no formal plan authorised by the Board for any material investments, acquisitions or disposals of subsidiaries, associates or joint ventures as at 31 December 2023 and up to the date of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Year are set out in Note 16 to the consolidated financial statements.

ENVIRONMENTAL POLICIES AND PERFORMANCE AND RELATIONSHIP WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

Information on the environmental policies and performance of the Company is set out in the section headed "Environmental, Social and Governance Review" on pages 35 to 50 in this annual report.

The Group has complied with the applicable environmental laws and regulations of the places where the Group has business operations. The Group will review its environmental practices from time to time and will consider implementing further measures and practices in the Group's business operations to enhance sustainability.

The Group has always paid great attention to and has maintained a good working relationship with its suppliers and has been providing a satisfactory customer services for its customers. The aforementioned suppliers and customers are good working partners creating value for the Group. In addition, the Group is committed to providing equal opportunities, a harmonious and diversified working environment to our employees while the Group also values the knowledge and skills of its employees, and continues to provide career development opportunities for its employees.

SHARE CAPITAL

Details of the movements in share capital of the Company during the Year are set out in Note 31(a) to the consolidated financial statements.

DEBENTURES

There were no issue of bonds or debentures of the Company during the Year.

EQUITY-LINKED AGREEMENTS

Save as the share option scheme of the Company disclosed under the paragraph headed "Share Option Scheme" below, no equity-linked agreements were entered into by the Company during the Year or subsisted at the end of the Year.

FUND RAISING ACTIVITIES

There were no fund-raising activities conducted by the Company during the year ended 31 December 2023.

SHARE OPTION SCHEME

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

The purpose of the Share Option Scheme 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 a period of 10 years commencing from 23 June 2022 (the "**Date of Adoption**" of the Share Option Scheme) to 22 June 2032.

The total number of shares available for issue under the Share Option Scheme is 745,888,098 shares of the Company, representing approximately 8.53% of the total number of shares of the Company in issue as at the date of this annual report.

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.

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.

For details of the Share Option Scheme, please refer to the circular of the Company dated 23 May 2022.

The details of the exercise price and number of options outstanding during the year ended 31 December 2023 which have been granted to, exercised and cancelled by the eligible participants are as follows:

				Number of share options					
Category/ Name of Grantee	Date of Grant of share options	Exercise period of share options	Exercise price of per share as at the date of grant 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 31 December 2023
Executive Directors									
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	–	–	–	–	–	–
Non-executive Director									
LEE, Chi Hin Jacob	22 July 2022	22/07/2022 to 21/07/2026	HK$0.138	7,500,000	–	–	–	–	7,500,000
Independent non-executive Directors									
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**

Save as disclosed above, no share options were granted, exercised, cancelled or lapsed under the Share Option Scheme for the year ended 31 December 2023.

Information on the accounting policy for share options granted and the weighted average value per option is provided in notes 32 to the consolidated financial statements.

The total number of share options that may be further granted under the Share Option Scheme as at 1 January 2023, as at 31 December 2023 and as at the date of this annual report is 745,888,098 Shares (2022: 745,888,098 Shares), representing 8.53% of the issued share capital of the Company. As at the date of this annual report, the total number of share options granted and outstanding under the Share Option Scheme is 80,000,000 Shares, representing 0.92% of the issued share capital of the Company.

The total number of shares that may be issued in respect of options granted under all schemes of the Company during the financial year ended 31 December 2023 divided by the weighted average number of shares of the relevant class in issue for the year was 0.91%.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws (the "**Bye-laws**"), or the laws of Bermuda, which make the Company obliged to offer new shares on a pro-rata basis to existing Shareholders.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 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. All the repurchased shares were subsequently cancelled. The repurchases were effected because the Board considered that the then trading price of the Shares did not reflect their intrinsic value and business prospects of the Company and that it presented a good opportunity for the Company to repurchase Shares. The Board also believed that such repurchases would enhance the earnings per share and increase the net asset value per share attributable to the shareholders.

Particulars of the share repurchases are as follow:

Month of Repurchase	Number of Shares Repurchased	Highest price paid per Share HK$	Lowest price paid per Share HK$	Aggregate Consideration (Before expenses) 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
	67,104,000			**7,834,601**

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the year ended 31 December 2023.

TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities. If the Shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or exercising of any rights in relation to the Company's securities, they are advised to consult their professional advisers.

RESERVES

Details of movements in the reserves of the Company and the Group during the Year are set out in Note 38 to the consolidated financial statements and in the consolidated statement of changes in equity respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2023, the Company had no retained profits available for cash distribution and/or distribution in specie. Pursuant to the Company Act 1981 of Bermuda (as amended), the Company's contributed surplus of HK$740.9 million is currently not available for distribution. The Company's share premium account of HK$4,871.0 million may be distributed in the form of fully paid bonus shares.

MAJOR CUSTOMERS AND SUPPLIERS

During the Year, the aggregate revenue attributable to the Group's five largest customers accounted for 55.4% and the largest customer accounted for approximately 14.2% of the Group's total revenue for the Year. The aggregate purchases attributable to the Group's five largest suppliers accounted for approximately 76.7% and the largest supplier accounted for approximately 54.4% of the Group's total purchases from continuing operations for the Year.

During the Year, none of the Directors or any of their close associates, or any shareholders of the Company (which to the best knowledge of the Directors, own more than 5% of the Company's issued share capital), had any interest in any of the Group's five largest suppliers and customers.

CONNECTED TRANSACTIONS

Jumbo Hope Group Limited ("**Jumbo Hope**") a wholly owned subsidiary of the Company entered with New World Tower Company Limited (the "**Landlord**") into the following documents:

(i) an offer letter of tenancy dated 25 May 2022 in respect of the lease of the office unit at Room 1403, 14/F, New World Tower I, 16-18 Queen's Road Central, Hong Kong for a term commencing from 1 June 2022 to 31 May 2024 (both dates inclusive), at a monthly rental of HK$104,125 (exclusive of services charges and government rates), with total consideration being approximately HK$2.3 million. Please refer to the announcement of the Company dated 25 May 2022 for further information; and

(ii) an offer letter of tenancy dated 1 March 2023 in respect of the lease of the office unit at Room 1402, 14/F, New World Tower I, 16-18 Queen's Road Central, Hong Kong for a term commencing from 15 March 2023 to 31 May 2024 (both dates inclusive), at a monthly rental of HK$72,298 (exclusive of services charges and government rates), with total consideration being approximately HK$1.1 million. Please refer to the announcement of the Company dated 1 March 2023 for further information.

Chow Tai Fook Capital Limited ("**CTFC**") is a substantial shareholder of the Company. The Landlord, being a 30% controlled company (as defined in the Listing Rules) of CTFC, is an associate of CTFC. Accordingly, the Landlord is a connected person of the Company, and the entering into of the offer letter of tenancy constituted connected transaction of the Company under Chapter 14A of the Listing Rules.

With the exception of Mr. CHENG, Kam Chiu Stewart, who abstained from voting on the relevant resolutions to approve the entering into of the offer letter of tenancy on the grounds of being a relative (as defined in the Listing Rules) of Dr. CHENG, Kar Shun Henry, the chairman of New World Development Limited, the immediate parent company of the Landlord. The Board, including the Independent Non-executive Directors, has reviewed the connected transaction and confirmed that they were:

(i) entered into by the Group in its ordinary and usual course of businesses;

(ii) conducted on normal commercial terms or on terms no less favourable than those available to or from independent third parties; and

(iii) fair and reasonable and in the interests of the Company and its Shareholders as a whole.

EXEMPT CONTINUING CONNECTED TRANSACTIONS, EXEMPT CONNECTED TRANSACTIONS AND RELATED PARTY TRANSACTIONS

A summary of all significant transactions with related parties (the "Related Party Transactions") entered into by the Group during the Reporting Period is contained in Note 34 to the consolidated financial statements. Save as disclosed in Note 34 to the consolidated financial statements, no related party transactions fall under the definition of connected transactions. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

Certain amounts of the transactions as set out in Note 34(b) to the consolidated financial statements fall within rule 14A.76(1) or rule 14A.90 of the Listing Rules, but each of the transactions sets out in Note 34(b) constitutes a de minimis or fully exempt transaction which was free from the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company has complied with the requirements prescribed in Chapter 14A of the Listing Rules with respect to the connected transactions and continuing connected transactions entered into by the Group during the year under review.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or in existence during the Year.

DIRECTORS

The Directors during the Year and up to the date of this annual report were/are:

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

Biographical details of the Directors are set out on pages 21 to 22 of this annual report.

The Company has received an annual confirmation of independence in writing from each of the independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules. Based on such confirmation, the Company considers that all the independent non-executive Directors are independent and have met the independence guidelines as set out in Rule 3.13 of the Listing Rules during the Financial Year and up to the date of this annual report. Proper insurance coverage in respect of legal actions against the Directors has been arranged by the Company.

In accordance with bye-law 87(1) of the Bye-laws and the code provision B.2.2 of the Corporate Governance Code as set out in Appendix C1 of the Listing Rules, Mr. LEE, Chi Hin Jacob and Mr. HUANG, Victor shall retire by rotation at the AGM and, being eligible, offer themselves for re-election. Information on Directors proposed for re-election will be set out in the circular to the Shareholders accompanying the resolutions to re-elect them at the AGM.

PERMITTED INDEMNITY PROVISIONS

A permitted indemnity provision (as defined in section 467 of the Hong Kong Companies Ordinance) for the benefit of the Directors and officers of the Company is currently in force and was in force throughout the Year. Pursuant to the Bye-laws, the Directors and the officers of the Company shall be indemnified and secured harmless out of the assets of the Company which may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duties. The Company has maintained liability insurance to provide appropriate cover for the directors and officers of the Group.

DIRECTORS' SERVICE CONTRACTS

During the Year, none of the Directors had entered into a service contract with the Group which was not determinable within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

Save as otherwise disclosed, no transactions, arrangements and contracts of significance to which the Company, or any of its subsidiaries, its holding companies or its fellow subsidiaries was party and in which a Director of the Company had a material interest, either directly or indirectly, subsisted at the end of the Year or at any time during the Year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this annual report, at no time during the Year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2023, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**")), which were required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein (the "**Register**"); or (c) pursuant to the Model Code, to be notified to the Company and the Stock Exchange were as follows:

LONG POSITIONS IN THE COMPANY'S SHARES AND UNDERLYING SHARES

Name of Director	Capacity/Nature of interest	Number of Share Options	Number of Share Options exercised as at 31/12/23	Percentage of issued share capital of the Company
Executive Directors				
CHENG, Kam Chiu Stewart	Beneficial owner	50,000,000	N/A	N/A
TANG, John Wing Yan	Beneficial owner (Note 1)	0	50,000,000	0.57%
Non-executive Director				
LEE, Chi Hin Jacob	Beneficial owner	7,500,000	N/A	N/A
Independent non-executive Directors				
YUNG, Chun Fai Dickie	Beneficial owner	7,500,000	N/A	N/A
CHIU, Wai On	Beneficial owner	7,500,000	N/A	N/A
HUANG, Victor	Beneficial owner	7,500,000	N/A	N/A

Note 1: Mr. TANG, John Wing Yan, the executive Director and Chief Executive Officer of the Company, exercised his 50,000,000 share options on 25 July 2022, under the Share Option Scheme adopted on 23 June 2022.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the Year, to the best knowledge of the Directors, none of the Directors and their respective associates was considered to have any interest in any businesses that competes with or is likely to compete with the businesses of the Group which is discloseable under Rule 8.10(2) of the Listing Rules.

DIRECTORS' REMUNERATION AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

The remuneration of Directors is recommended by the Remuneration Committee of the Company and approved by the Board, based on the job responsibilities, the prevailing market conditions of the industry and the Company's remuneration policy, operating performance and profitability.

Particulars of the Directors' remuneration and five individuals with highest emoluments are set out in Notes 9 and 10 to the consolidated financial statements, respectively.

RETIREMENT BENEFITS SCHEMES

Details of the Group's retirement benefits schemes are set out in Note 39.11(b) to the consolidated financial statements.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND SECURITIES OF THE COMPANY

As at 31 December 2023, the following 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	65.63%
Chow Tai Fook Nominee Limited ("**CTFNL**") (Note (ii))	Interests in a controlled corporation	5,737,129,098	65.63%
Chow Tai Fook (Holding) Limited ("**CTFHL**") (Note (iii))	Interests in a controlled corporation	5,761,900,848	65.91%
Chow Tai Fook Capital Limited ("**CTFC**") (Note (iv))	Interests in a controlled corporation	5,761,900,848	65.91%
Cheng Yu Tung Family (Holdings) Limited ("**CYTFH**") (Note (v))	Interests in a controlled corporation	5,761,900,848	65.91%
Cheng Yu Tung Family (Holdings II) Limited ("**CYTFH-II**") (Note (vi))	Interests in a controlled corporation	5,761,900,848	65.91%
Elberta Holdings Limited	Beneficially owned	794,850,000	9.02%

Notes:

As at 31 December 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.

(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 8,741,776,988 ordinary shares of the Company in issue.

Save as disclosed above, as at the date of this annual report, so far as is known to the Directors, the Company has not been notified of any other interests or short positions in the ordinary shares of the Company which had been recorded in the register required to be kept under section 336 of the SFO.

CONTROLLING SHAREHOLDERS' INTEREST IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in the sections "Exempt Continuing Connected Transactions, Exempt Connected Transactions and Related Party Transactions" and "Connected Transaction" in this directors' report, no contract of significance had been entered into between the Company or any of its subsidiaries, and any controlling shareholder (as defined in the Listing Rules) of the Company or any of its subsidiaries during the Year.

CHANGES IN INFORMATION OF DIRECTORS

The changes in information of Directors are set out below pursuant to rule 13.51B(1) of the Listing Rules:

- The annual remuneration of Mr. CHENG, Kam Chiu Stewart, the executive Director and chairman of the Company, has been adjusted to HK$3,094,800;
- The annual remuneration of Mr. TANG, John Wing Yan, the executive Director and chief executive officer of the Company, has been adjusted to HK$4,040,000;
- The annual remuneration of Mr. LEE, Chi Hin Jacob, the non-executive Director and a member of the Audit Committee and Nomination Committee, has been adjusted to HK$540,000; and
- The annual remuneration of Mr. CHIU, Wai On, Mr. YUNG, Dickie Chun Fai and Mr. HUANG, Victor, independent non-executive Directors of the Company, has been adjusted to HK$250,000 each.

Save as disclosed above, there is no change to any information required to be disclosed in relation to any Directors pursuant to paragraphs (a) to (e) and (g) under Rule 13.51(2) of the Listing Rules.

PUBLIC FLOAT

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

DONATIONS

The Group has not made any donations during the year ended 31 December 2023 (2022: HK$Nil).

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 51 to 66 of this annual report.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed above, the Group does not have any material subsequent events after 31 December 2023 and up to the date of this report.

AUDITOR

The consolidated financial statements for the Year have been audited by PricewaterhouseCoopers, Certified Public Accountants, who will retire at the conclusion of the AGM. PricewaterhouseCoopers, being eligible, will offer themselves for re-appointment. A resolution for the re-appointment of PricewaterhouseCoopers as the auditor of the Company will be proposed at the AGM. Accordingly, the Company has complied with Rule 13.88 of the Listing Rules.

Save as disclosed above, there was no other change of the Company's auditors in any of the preceding three years.

OUTLOOK

The Company will continue to develop and grow while aiming to improve its financial position, business operation and industry reputation in order to create long-term value for shareholders.

By order of the Board

CHENG, Kam Chiu Stewart
Chairman

Hong Kong, 25 March 2024

SCOPE AND REPORTING PERIOD

The Board hereby presents its 2023 Environmental, Social and Governance ("**ESG**") review, highlighting New Times Energy Corporation Limited's (hereinafter "**New Times Energy**" or the "**Group**") ESG policies and performance, prepared in accordance with the provisions as described in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and other relevant guidance set out.

New Times Energy's principal activities are set out in Note 19 to the consolidated financial statements. Based on the Group's scoping and materiality assessments, the Board reached the consensus that the Canada operation including Discovery Park, and Argentina operation were deemed pertinent for ESG reporting this financial year.

Although the Group was involved in the business of commodities trading (predominantly physical gold and silver trading) in 2023, this segment was scoped out for ESG reporting purposes, due to its immaterial environmental and social impact, relative to the Group's oil and gas businesses.

ESG APPROACH

New Times Energy recognises the importance of conducting business in a socially responsible and ethical manner for its long-term success. The Board formulates the Group's overall ESG strategies, policies, and objectives, which management is tasked with implementing, monitoring, and reporting.

Under the Board's guidance, management is responsible for identifying and monitoring ESG issues, risks, and opportunities, and ensuring compliance with relevant laws and regulations governing its operations.

STAKEHOLDER ENGAGEMENT AND MATERIALITY

New Times Energy continues to actively to engage stakeholders to understand their ambitions and expectations in the development/evolution of the Group's business portfolio and sustainability agenda.

To identify the most significant business segments of the Group for ESG reporting purposes, key stakeholders including potential investors, shareholders, professional bodies, peer companies, directors, management, and employees were considered and/or engaged to understand the latest environmental and sustainability reporting trends. Materiality considerations from a strategic, operational, and financial perspective also facilitated the Board in the overall direction of this report.

New Times Energy strives to extensively involve and engage its stakeholders to further improve its ESG reporting. Our oil and gas concession partners are also periodically consulted during operational committee meetings for their views and suggestions.

Interested stakeholders may locate ESG information of the Group from the following sources:

- Annual general meeting and notices,
- Annual reports, interim report, consolidated financial statements and announcements,
- Corporate website,
- Investors briefings/press releases,
- Notice and circulars,
- Bilateral contracts and supplier agreements, and
- Code of conduct.

STAKEHOLDERS' FEEDBACK

The Group welcomes stakeholders' feedback on its Environmental, Social and Corporate Governance initiatives via email at info@nt-energy.com.

MISSION AND VISION ON SUSTAINABILITY

Mission

As a participant of the upstream oil and gas industry, New Times Energy operates under the strict mandate of "Health & Safety First". The Group adopts the latest best practices to ensure the wellbeing and security of its employees, contractors, customers, and communities. It strives to continuously improve its health and safety management practices with the goal of achieving an injury and incident free workplace.

The Group is committed to ensuring all its plant and equipment are operationally safe and free of hazards, its employees are properly trained in safe working practices, and have a clear understanding of their responsibilities for taking positive steps to improve health and safety.

New Times Energy is mindful of the increased attention of the oil and gas industry and its impact on the climate and the environment. The Group is passionate in the investment and future development of clean energy for global sustainability.

Plans to redevelop and transform the Group's 1,200 acres (4.9 km^2) Discovery Park site at Campbell River, British Columbia from a former pulp mill into a green ecosystem hub have commenced.

The Group's vision is to develop and attract industries including hydrogen/green ammonia production, renewable natural gas/biofuel production, aquaculture, vertical farming, and modular construction to create a circular economy at Discovery Park. By redeveloping Discovery Park into a green ecosystem hub, the Group can create economic value by reducing waste, and contribute to better sustainability, climate protection and resource efficiency.

Vision

The Group is committed to corporate social responsibility, health and safety, environmental protection, responsible human resources and labour practices, and community involvement and sustainable value creation policies wherever it operates in.

A. ENVIRONMENTAL PROTECTION

Emissions

1.0. Environmental Impact and Legal Compliance

As an upstream oil and gas industry operator, New Times Energy is acutely aware about the impact and potential risks that its field operations may pose to the environment and the surrounding ecosystem. The Group endeavours to adopt best industry practices and guidelines in the management of environmental risks from its operations in Canada and Argentina.

The Group policy for managing environmental impact include regular monitoring of air quality, discharges into water and land, generation of hazardous and non-hazardous waste, pre-emptive maintenance, early detection, and repair of emission sources, improving energy use efficiency, independent environmental audits and close liaison with potentially affected local community. The Group strictly complies with all relevant environmental laws and regulations in all jurisdictions it operates in.

1.1. *Type of Emissions*

During 2023, the Group's main emission sources were from diesel fuel, electricity, water, and natural gas consumption. Our oil and gas businesses are strictly regulated under the respective Canadian federal and provincial acts and regulations, and national laws and regulations of Argentina. Regulatory updates are continually monitored to ensure the Group is compliant, and how potential amendments may impact operations.

Fugitive emissions are unintentional releases of gas or fumes resulting from production, processing, transmission, storage, and delivery of gas. This may occur from breaks or small cracks in seals, tubing, valves, and pipelines, or when lids or caps on equipment or tanks have not been properly closed or tightened. In Canada, the Group manages its fugitive emissions through its Fugitive Emissions Management Program ("**FEMP**") and Leak Detection and Repair (LDAR) in accordance with the applicable provincial regulations and guidelines.

Fugitive emissions surveys or screenings are completed throughout the year to detect possible leaks to ensure timely repair of equipment, where applicable. The FEMP improves safety through early detection and repair of emission sources, which in turn reduces Greenhouse Gas ("**GHG**") emissions and Volatile Organic Compounds (VOCs). It also improves overall air quality and operational efficiency.

1.2. *GHG Emission*

Direct GHG emissions (Scope 1)

In 2023, a total of 318,615 tonnes of carbon dioxide equivalent ("**tCO_2-eq**") (2022: 369,206 tCO_2-eq) greenhouse gases (carbon dioxide, methane, and nitrous oxide) were discharged by the Group's Canadian assets (British Columbia and Alberta). Gross production was 4,046,160 boe (2022: 4,248,928 boe). The calculated carbon intensity was 0.0787 tCO_2-eq/boe (2022: 0.0869 tCO_2-eq/boe).

For the Group's Argentina operation, 1,408 tonnes of direct GHG emissions were discharged in the year (2022: 1,377 tonnes). Gross annual production was 427,997 bbl (2022: 399,380 bbl) of crude oil. The calculated carbon intensity was 0.0033 tCO_2-eq/bbl (2022: 0.0034 tCO_2-eq/bbl).

The Group is focused on reducing direct emissions, where possible. Initiatives include conducting energy audits, and feasibility studies to modify the configuration of operated facilities. Additionally, it is exploring the availability of approved carbon offsetting schemes from authorities in the locations it operates.

The Group's broader objective is to redevelop Discovery Park into a green ecosystem to attract industries hydrogen/green ammonia production, renewable natural gas/biofuel production, aquaculture, vertical farming, and modular construction to create a circular economy.

Indirect GHG emissions (Scope 2)

Purchased electricity is the main source of indirect GHG emissions for the Group's Canada operation. However, since electricity is sourced by a nearby hydro-power plant, the indirect GHG emission is negligible and excluded for reporting purposes. For the Argentina operation, 965 tonnes of indirect GHG were emitted, with a calculated carbon intensity of 0.0023 tCO_2-eq/bbl (2022: 945 tonnes and 0.0023 tCO_2-eq/bbl).

Although certain GHG emissions cannot be avoided due to the inherent nature of the upstream oil and gas industry, the Group endeavours to reduce emission where possible, such as preventing leaks, minimising flaring, and venting, and improving energy efficiency of its operations and facilities.

It continues to actively explore ways to collaborate with local authorities, governing bodies, and key stakeholders to achieve the mutual objective of net zero emissions.

1.3. Hazardous Waste

During the production process from the Group's oil and gas operations, hazardous waste may be generated from possible minor spillage, replacement of spare parts and lubrication oil, filters, rags, soaker pads and other materials. 2 cubic meters ("**m^3**") of hazardous waste was generated by Canada operation in the year, whilst 15 m^3 was generated by Argentina operation (2022: 129 m^3 and 5 m^3 respectively). The calculated hazardous waste intensity to production volume for Canada and Argentina was < 1 cubic centimeter ("**cm^3**")/boe and 35 cm^3/bbl respectively (2022: 30 cm^3/boe and 13 cm^3/bbl). Discovery Park handled and processed 34,724 m^3 of hazardous and contaminated waste during the year (2022: 703 m^3).

1.4. Non-Hazardous Waste

In 2023, the Canada oil and gas operation generated 4,981 m^3 of liquid waste and 1,109 tonnes of solid waste, with a calculated intensity to production volume of 1,231 cm^3/boe and 274 grams (''**g**")/boe respectively (2022: 3,094 m^3 of liquid waste and 5,437 tonnes of solid waste, and a calculated intensity to production volume of 728 cm^3/boe and 1,280 g/boe respectively) whilst Discovery Park processed and discharged 473,482 m^3 of liquid waste (2022: 571,716 m^3).

Approximately 49,503 litres of waste oil were recycled by a third party on behalf of the Canadian operation during the year (2022: Approximately 50,000 litres). Whilst 45,203 m^3 of by-product water generated by Canada operation was deposited into injection wells in 2023 (2022: 1,326 m^3).

The Argentina operation generated 5 tonnes of organic and inorganic waste (2022: 5 tonnes), with a calculated intensity to production volume of 12 g/bbl (2022: 12 g/bbl). Inorganic waste included plastic and glass, whilst organic waste was mainly the by-product from the facilities and camp.

1.5. Measures taken for the disposal of Hazardous and Non-Hazardous Waste

Measures adopted for the disposal of hazardous and non-hazardous waste in both the Canada and Argentina operations include:

- Scheduled inspection and maintenance of plant and equipment,
- Transportation of contaminated material to approved waste management facilities for treatment, disposal, and recycling, as applicable,
- Training and education of employees,
- Conduct pre-job briefing,
- Spillage prevention programs and remedial action plans are imbedded as part of daily activities and operational practices,
- Waste volume reduction initiatives,
- Close supervision, and
- Continuous improvement plans.

Hazardous and non-hazardous wastes are separated at origin. For hazardous waste, the treatment, collection, and final disposal is managed by qualified professional handlers. The Group provides directive for segregation and classification of non-hazardous waste to aid recycling initiatives. For non-hazardous waste treatment, the organic waste is buried and composted, while the inorganic waste is incinerated. Non-hazardous waste that cannot be treated or recycled may be managed by direct landfill disposal or alternative methods, as appropriate.

Through measures mentioned earlier, the Group strives to reduce its hazardous and non-hazardous waste year on year. The Group already currently recycles certain by-products generated by its operations. The Group will continue taking steps and seek opportunities to apply the 5 R's principle to waste management i.e. refuse, reduce, reuse, re-purpose and recycle.

1.6. Abandonment and Environment Restoration

In Canada, the Group operates over 1,000 wells, of which approximately 800 wells are active and producing hydrocarbons. For the inactive and non-producing wells, the Group is committed to working closely with all stakeholders to decommission and remediate those sites to their original land use.

When a decision is made to permanently cease operations at a well site, pipeline or facility, the asset must be decommissioned, remediated, and reclaimed. A well is considered decommissioned when the remediation and restoration of both the downhole and surface components, and removal of all surface equipment has been completed.

Once a site is fully decommissioned, the environmental assessments, remediation (if applicable) and reclamation activities can commence. Initial environmental assessments involve investigating a site for potential environmental impacts and subsequently developing a site-specific plan to achieve full reclamation, as necessary.

A risk-based closure approach will be used to evaluate alternative remedial and reclamation options to reduce costs and expedite the closure of the dormant sites. This approach allows the Group to identify most environmentally friendly and cost-effective way to manage site reclamation activities.

In 2023, a total 97 environmental assessments were completed at different well sites. Applications for a Certificate of Restoration Parts 1 and 2 were submitted for 39 and 11 locations respectively and 49 sites were restored.

In Argentina, the Group continues to comply with the annual environmental monitoring obligations of the provincial authority of Salta, and schedule for the plug and abandonment of dormant wells.

Use of Resources

2.0. Electricity

During the year, the electricity consumption by the Canada operation was 5,050,958 Kilowatt-hour ("**kWh**"), of which Discovery Park accounted for 4,331,642 kWh (2022: 6,053,315 kWh and 5,864,424 kWh respectively), with an energy intensity of 0.178 kWh/boe (2022: 0.044 kWh/boe). Whilst for the Argentina operation, electricity consumption was 21,501 kWh for the year (2022: 22,360 kWh), with an energy intensity of 0.050 kWh/bbl (2022: 0.056 kWh/bbl).

To embrace the Group's efficient energy use initiative, all staff are encouraged to minimise energy consumption, where practicable. Examples include encouraging the switching-off of any unnecessary lighting and unused electronic equipment, minimising the idling of motor vehicle engines when temporarily waiting, turning down air conditioning, etc. Furthermore, the Group has a procurement policy of purchasing energy efficient equipment and extending the use of existing assets/replacement intervals for sustainability.

The Group is committed to efficient energy use by regulating all operations in accordance with industry standards and regulatory requirements. Over the next three years, the Group aims to complete an audit and impact study of its operations, and develop improvement plans, energy use targets and steps to achieve them.

2.1 Fuel

The Group uses a combination of vans, pickup trucks, and cars for its personnel transportation. The Groups' fleet of motor vehicles operate using compressed natural gas/propane, gasoline, or diesel. When evaluating vehicles for purchase/lease, the Group will consider factors including safety, reliability, maintenance cost, fuel efficiency, and price.

During 2023, Canada operation's fuel consumption of compressed natural gas was 61,322 thousand cubic meters ("**E^3m^3**") (2022: 71,215 E^3m^3), propane was 96,443 litres (2022: 49,911 litres), and diesel 396,047 litres (2022: 369,817 litres). In Argentina, the diesel consumption for the year was 11,820 litres (2022: 17,073 litres).

2.2 Packaging Material

No packaging material is used by the Group's oil and gas businesses. Natural gas produced by the Canada operation is delivered by a network of pipelines operated by third party companies. In Argentina, the production of crude oil is stored in oil tanks at Los Blancos before it is despatched to customers by oil tanker trucks capable of transporting approximately 35 m^3 per trip.

2.3 Water Consumption

Water consumption by the Group's oil and gas business mainly arises from on-site facilities/camp daily usage i.e. drinking, catering, bathrooms, cleaning, dirt road irrigation. No issues were encountered in sourcing fit for purpose water.

During 2023, Canada operation's water consumption was 2,069 m^3, whilst Argentina was 557 m^3 (2022: 1,419 m^3 and 506 m^3 respectively). Canada operation's water consumption intensity to production volume was 511 cm^3/boe, whilst Argentina was 1,301 cm^3/bbl (2022: 334 cm^3/boe and 1,265 cm^3/bbl respectively).

Conscious that water is a scare resource, the Group is always striving to preserve this natural resource by using it in the most economical ways without compromising health, safety, and hygiene. The Group is committed to the sustainable use of water. Over the next three years, the Group will conduct a process analysis and impact assessment of its operations, and identify further practicable water efficiency initiatives and targets.

Environment and Natural Resources

3.0 Sustainability

Oil and gas operations may impact local population, indigenous communities, wildlife habitat and ecosystems due to factors including change in land use, vegetation clearance, transportation traffic, discharges, emissions, and visual intrusion. The Group endeavors to minimise its impact through a combination of environmental assessment, design and engineering, operation scheduling, ongoing monitoring, waste management, post-decommissioning, and restoration measures. The Group also closely engages with potentially affected local population and indigenous group to foster a peaceful coexistence. The Group strictly complies with the legal requirements of local authorities.

Sustainability initiatives and green culture permeates throughout the Group. We strive to operate in an environmentally friendly and sustainable manner by adopting green practices including:

- Use of recycled paper,
- Printers configured to print double sided by default,
- Return of used printer and copier ink toner cartridge to manufacturer for recycling and reuse,
- Switching-off lights, computers, and office equipment when not in use,
- Replacement of energy efficient alternatives, and
- Adjustment of air conditioning settings to reduce power consumption.

For replaced furniture and computer equipment, the Group's practice is to first offer these items to employees for personal use, before it is disposed or recycled.

3.1 Climate Change

New Times Energy recognises the potentially disruptive impact that climate change may bear on its oil and gas operations. The Group continues to deepen its understanding of climate change impacts by on-going risk assessments and devising appropriate mitigation strategies.

Significant climate change related issues which may impact the Group include:

Heatwave

- Increases the risk of employees' health
- Energy and water consumption

Rainy season

- Increases the risk of flooding of facilities
- Disruption to access roads and transportation routes

Coldwave

- Increases in demand for oil and gas
- Increases the risk of employees' health

The Group responds to the challenges of climate change by identifying, assessing, and managing potential operational challenges, and building an effective risk management framework. The Group ensures emergency response management and mitigation measures are in place and ready to activate. Measures include procedures for temporary shut-down of facilities, evacuation plans, staff rostering, customer and supplier management/protocol.

B. SOCIAL

Employment and Labour Practices

4.0. Employment

New Times Energy recognises that its employees are one of its most valuable assets. The Group's policy is to hire, train and retain employees with professional skills that best enable it to achieve its strategic objectives, in a non-discriminatory matter. This is based on the following recruitment principles:

- Respect and trust at all levels, in all circumstances without exception,
- Transparency and honesty in professional relationship,
- Open and effective communication,
- Willingness to cooperate and help others, and
- Equal opportunity.

Recruitment and compensation are based on qualification, experience, skills, and performance. The Group offers competitive compensation and benefits packages aligned to local market rates for comparable roles and responsibilities in the industry. The Company's hiring practice is to recruit locally, except for certain key managerial, technical, or professional positions, where it may not be possible or appropriate to fill locally.

During 2023 and 2022, all employees of the Group's Canada and Argentina operations were employed on a full-time basis. The Group understands personal circumstances of employees may change, therefore on a case-by-case basis, the Group may offer part-time opportunities, where practicable.

4.1. Promotion and Performance Evaluation

Promotion and salary increments, outside of the Group's discretionary annual salary inflationary adjustment, is subject to a responsibilities and performance evaluation. An individual's promotion and remuneration are closely correlated to their job responsibilities, performance, and achievements. The Group operates a policy of internal promotion, whenever possible.

The Group ensures its employees are evaluated on their job performance through the application of objective measures. The human resources department coordinates and verify the performance of each employee, in relation to mutually agreed objectives established at the beginning of each appraisal year. The performance evaluation is carried out annually by the employee's immediate supervisor.

4.2. Dismissal

The Group may at any time, terminate an employee when his or her behaviour or attitude is not satisfactory, or does not meet the performance standards established/necessary for the position. In all cases, termination procedures will strictly adhere to minimum requirements established by the Law in the Labour Code or relevant local laws.

4.3. Employee Turnover Rate

During the year, there were 41 (2022: 23) staff turnover to report for the Group's Canada and Argentina Operations. These persons left on amicable terms and for reasons of personal development elsewhere or relocation.

2023	**Employee Turnover**					
	Canada		**Argentina**		**Total**	
	Female	**Male**	**Female**	**Male**	**Female**	**Male**
18-25	**–**	**–**	**–**	**–**	**–**	**–**
26-35	**1**	**6**	**–**	**–**	**1**	**6**
36-45	**3**	**7**	**1**	**2**	**4**	**9**
46-55	**7**	**10**	**–**	**–**	**7**	**10**
56 and above	**1**	**3**	**–**	**–**	**1**	**3**
	12	**26**	**1**	**2**	**13**	**28**

2022	Employee Turnover					
	Canada		Argentina		Total	
	Female	Male	Female	Male	Female	Male
18-25	–	–	–	–	–	–
26-35	3	5	1	2	4	7
36-45	2	6	–	1	2	7
46-55	–	–	–	1	–	1
56 and above	–	–	–	–	–	–
	5	11	1	4	6	15

4.4. Workplace Rights and Competitive Competition

The Group operates in compliance with the employment/labour laws of the jurisdictions it which it has a physical presence in respect to minimum pay, working hours, overtime, and fringe benefits. In addition, the company offers medical benefits and life insurance coverage.

4.5. Equal Opportunity

The Group is proud to be an equal opportunity employer and believes in the fair treatment of all existing and prospective employees, regardless of their age, gender, marital status, family status, disability, pregnancy, nationality, ethnicity, sexual orientation, religion and culture, or any other discrimination prohibited by applicable law.

Furthermore, the Group does not discriminate against or deprive of any opportunities in respect of recruitment, training and development, job advancement, and compensation and benefits. The Group's Codes of Ethic adopts a strict zero tolerance approach to any forms of discrimination or harassment in the workplace.

4.6. Workplace and Corporate Communication

New Times Energy adopts an "open door" policy to encourage open communication, feedback, discussion, knowledge sharing amongst its employees. Through this "open door" policy, the Group aims to foster a culture of mutual trust, respect and understanding, to build strong, cooperative, and productive working relationships. Routine emails and regular scheduled office-wide meetings are held to circulate information and provide updates to all employees.

4.7. Composition of Workforce

2023	Employee's Gender Distribution					
	Female		Male		Total	
Canada	**21**	**28.8%**	**52**	**71.2%**	**73**	**100.0%**
Argentina	**9**	**31.0%**	**20**	**69.0%**	**29**	**100.0%**
Total	**30**	**29.4%**	**72**	**70.6%**	**102**	**100.0%**

2022	Employee's Gender Distribution					
	Female		Male		Total	
Canada	24	26.4%	67	73.6%	91	100.0%
Argentina	9	27.3%	24	72.7%	33	100.0%
Total	33	26.6%	91	73.4%	124	100.0%

2023	Employee's Age Distribution											
	18-25		26-35		36-45		46-55		56 and above		Total	
Canada	**5**	**6.8%**	**11**	**15.0%**	**18**	**24.7%**	**21**	**28.8%**	**18**	**24.7%**	**73**	**100.0%**
Argentina	**0**	**0.0%**	**1**	**3.4%**	**11**	**37.9%**	**13**	**44.8%**	**4**	**13.8%**	**29**	**100.0%**
Total	**5**	**4.9%**	**12**	**11.8%**	**29**	**28.4%**	**34**	**33.3%**	**22**	**21.6%**	**102**	**100.0%**

2022	Employee's Age Distribution											
	18-25		26-35		36-45		46-55		56 and above		Total	
Canada	5	5.5%	16	17.6%	27	29.7%	25	27.5%	18	19.8%	91	100.0%
Argentina	–	0.0%	3	9.1%	12	36.4%	15	45.5%	3	9.1%	33	100.0%
Total	5	4.0%	19	15.3%	39	31.5%	40	32.3%	21	16.9%	124	100.0%

Health and Safety

Health and Safety ("**H&S**") is fundamental to the Group by virtue of the nature of the business it is operating and engaged in.

5.0. Laws and Regulation Compliance

Critical to all oil and gas operations is rigorous and robust H&S processes/procedures. The Group endeavours to adopt best practices in health and safety management and is strictly in compliance with all relevant laws and regulations governing H&S, in the jurisdictions it operates in.

A policy of open communication is actively encouraged, where employees can raise and share any H&S concerns that they may encounter with their team and management, and "Stop the Job" interventions are positively encouraged if any employee identifies a potential H&S risk that needs immediate review.

5.1. Health and Safety Measures

The Group is committed to providing a safe and healthy working environment for its employees, and continuously promotes a strong H&S culture and mindset. Some examples of these measures include:

- Internal employees and external parties are subject to H&S orientation at the beginning of their employment or engagement,
- All visitors of field operations being subject to safety briefing of the site,
- Dedicated H&S specialists on site responsible for performing risk assessments, and developing safe working practices,
- On a daily basis, and prior to the commencement of field operations, H&S briefings and planning meetings are conducted with participation by all employees including management team,
- On a weekly basis, employees participate in H&S review meetings to discuss any important H&S events,
- On a quarterly basis, all field and office staff receive free health check service,
- Dedicated 24 hours' nurse arrangements on site to deal with any first aid or medical emergency,
- Anti-harassment policy,
- Drug and alcohol policy,
- Respiratory program,
- Asbestos management program,
- Identify education/training needs in H&S,
- Conducting safety inspections and risk assessments for each task,
- Building and implementing fire safety plans that comply with local code requirements, and
- Establish and review safety standards and policies (quarterly, yearly, or as needed).

5.2. Road Transportation Safety Measures

Employees are trained and encouraged in the art of defensive driving.

Company vehicles are installed with GPS monitoring systems to track journey and any inappropriate or unsafe driving behaviours.

The Group's driving policy restrict employees to only drive during daylight hours, where possible, and to consider the necessity of any journey, before embarking.

5.3. Safety Incidents

The Group monitors its H&S performance via various metrics, including injury and fatal incident rates, injury free work hours, and sick days.

Contractors are also subject to the same stringent Group H&S standards. Proof of adequate H&S training and certification are requested before the Group engages and endorses a contractor to operate on its facilities.

	Occupational Health and Safety Data					
	Canada		Argentina		Total	
	2023	2022	**2023**	2022	**2023**	2022
Work related fatality	**0**	0	**0**	0	**0**	0
Work injury cases >3 days	**0**	0	**0**	0	**0**	0
Work injury cases <3 days	**0**	3	**0**	1	**0**	4
Lost days due to work injury	**0**	0	**0**	1	**0**	1

Development and Training

6.0. Improving staff knowledge and experience

The human resources department coordinates training activities according to business needs and staff performance evaluation, or when the position requires. All training requirements follow the training procedure set out in the Human Resources Policies.

The Group offers external training courses as well internal on-the job training and peer coaching. Example of courses attended by employees during the reporting year included language skills, business administration, leadership, conflict management, accounting, safety, project management, oil and gas engineering related subjects.

A total of 1,520 hours was invested by the Group on external training in the year for its Canada and Argentina operations (2022: 737 hours).

Training	**2023**	2022
Total training hours	**1,520**	737
Average training hours	**14.9**	5.9
Average training hours by category:		
General and Technical Staff	**0.4**	5.9
Managerial Staff	**3.6**	6.3
Average training hours by category:		
Female	**1.3**	8.3
Male	**20.6**	5.1
Percentage of employees trained by category:		
General and Technical Staff	**38%**	83%
Managerial Staff	**27%**	78%
Percentage of employees trained by gender:		
Female	**3%**	75%
Male	**51%**	80%

Labour Standard

7.0 Policy

Governed by fair employment practices, the Group strictly complies with the requirements of local labour laws and regulations, and strictly prohibits the use of any child and forced labour, or any forms of illegal labour in the Group operations. The Group ensures compliance by performing identity verification checks on employee during hiring process. In the unlikely event of non-compliance, the Group would remedy the breach, investigate the matter, discipline those responsible, review procedures and implement further preventive controls, where possible.

Operating Practices

8.0 Supply Chain Management

New Times Energy has a standardised procurement procedure for selecting suppliers and vendors, which includes technical and commercial evaluation, i.e. quality, delivery times, sustainability, environmental and social risk, continuity, legal and regulatory compliance and cost. Typically, supplier selections are conducted through a competitive tendering process with a minimum three bids/quotes required, where practicable.

The Group endeavours to source sustainably by purchasing locally, to minimise its logistical carbon footprint, reduce shipping costs and benefit the local economy. Environmental and social risk are identified by mapping the supply chain, and understanding potential impacts and options available, subject to suppliers' evaluation criteria. During 2023, the geographical location of Argentina operation's main suppliers was in the province of Salta, where its production facility and office are situated. A total 17 suppliers engaged by Argentina operation were from Salta province, whilst the Canada operation for the year engaged 342 suppliers from British Colombia (2022: 4), and 206 suppliers from Alberta (2022: 5).

8.1. Product Responsibility

Consumer Data Protection

The Group is engaged in the business of oil and gas production and sales, as governed by the terms and conditions of the agreements with its customers.

The Group is mindful of the importance of protecting consumer data confidentiality and intellectual property rights. Key measures implemented by the Group include system access controls, physical security controls and network access levels controls based on role requirements. File password and encryption software are used during electronic data transmission. In the event of non-compliance, the Group's whistle-blowing procedures and escalation system as detailed below is available.

Quality Assurance and Complaints

The quality and volumes of oil and gas sold are subject to ISO, IRAM, ASTM, or other applicable standards, laws and regulations. In the event of any differences/disputes in the quality and volumes of oil and gas sold, the normal recourse would be a price adjustment/discount but no product recall, after a test of sample by an independent laboratory. The Group received no product or service complaints and strictly complied with ISO, IRAM, ASTM or other applicable standards, laws and regulations in the year (2022: Nil).

Anti-corruption

9.0. Ethical compliance

The Group is committed to managing its business in an open, transparent, and fair manner, without any untoward external influence/pressures. The Group strictly complies with anti-corruption and anti-bribery laws applicable to the countries and regions where it operates. All directors and employees joining the Group are provided self-learning anti-corruption training material which they must familiarise and refresh their knowledge on an annual basis. During their tenure, they are required to strictly follow the Group's Code of Ethics to prevent potential bribery, extortion, fraud, and money laundering. Employees are regularly reminded of the Group's anticorruption policies and their strict adherence.

Whistle-blowing procedures for misconduct and malpractice (including corruption) are clearly established in the Group's anti-corruption policy. If a suspected report is received, the Group will investigate with strict confidentiality. The Group has established a whistleblowing escalation system, where the procedure is to report any suspicious activities to the whistle-blower's immediate supervisor. If a matter involves the immediate supervisor, then the whistle-blower should escalate direct to next level management. Alternatively, the matter may be confidentially reported via the Group's whistleblowing and ethics hotline.

There were no legal cases regarding corrupt practices brought against the Group or its employees during the year (2022: Nil).

Community

Potentially disruptive social impacts from the Group's drilling projects and production facilities on nearby local communities are managed by maintaining open channels of communications with affected landowners and local communities for a harmonious co-existence.

10.0. Liaising and Involving the Community

The Group has a dedicated community liaison officer who works closely with any affected indigenous people in both Canada and Argentina. The Group is in regular dialogue to ensure operational transparency and to understand and resolve any affected communities' concerns.

The importance of community involvement is a priority where the Group operations are within proximity of inhabitants. The Group's maintains an open-door approach, operating in an ethical and transparent manner within the community. Emphasis is placed on community involvement, to increase awareness, to establish a positive and responsible reputation within these important stakeholders. This approach allows the Group to establish meaningful connections, wherever it has a presence.

In Canada, the Group's close relationship with the Acho Dene Koe First Nation, Dene Tha' First Nation, Fort Nelson First Nation and Prophet River First Nation as well as with Ligwi da'xw people; the Wei Wai Kai, Wei Wai Kum and Kwiakah First Nations is an integral part of the social fabric, and this relationship is thriving. We also donate to the Habitat to Humanity that builds strength, stability, and self-reliance through shelter. Habitat for Humanity is a non-profit organisation that helps families build and improve places to call home. The Group believes affordable housing plays a critical role in strong and stable communities.

10.1. Community Advancement

The Group positively contributed to the standard of living for the local indigenous communities during the year by several initiatives and programs in both Canada and Argentina. This included upskilling people by providing training on electrical maintenance, and donation of materials and basic essential tools, to promote and improve their self-sustainability.

The Group also participated in several community improvement projects, including training local inhabitants, maintenance of the local hospital ambulance, and the setting up of three micro enterprises i.e. seamstress, carpentry and bakery. Additionally, twenty seven people from the local community were offered temporary employment on rotation at Los Blancos during the year.

C. FUTURE DEVELOPMENTS TOWARD SUSTAINABILITY

The Group recognises the world is moving towards a low carbon economy, as it attempts to satisfy commitments set forth in the Paris Agreement. Energy transition being at the forefront, moving from high CO_2 emission energy sources such as coal and oil, towards renewables and zero emission sources. The Group is planning to transform Discovery Park site into a green ecosystem hub. The Group's vision is to develop and attract industries including hydrogen/green ammonia production, renewable natural gas/biofuel production, aquaculture, vertical farming, and modular construction to create a circular economy. By redeveloping Discovery Park into a green ecosystem hub, the Group can contribute to better sustainability, climate protection and resource efficiency. In addition, the Group continues to discuss with local authorities, governing bodies, and key stakeholders with the mutual objective of achieving net zero emissions.

Going forward, the Group plans to extend its community engagement activities and find more ways of "giving back", by exploring how the Group can also contribute in non-financial ways, such as volunteering, school talks, and donating of used computer and office equipment. For environmental initiatives in 2024, the Group's continuing plans include:

- Evaluating how environmental risks are being managed at the Group's operating facilities,
- Evaluating current environmental site conditions at inactive sites,
- Developing a decommissioning and reclamation program to save costs and efficiently reduce environmental liability,
- Registering with the British Colombia Output-Based Pricing System (BCOBPS) which incentivises qualifying participants to reduce GHG emissions, and
- Conducting energy audit of its Canadian gas production facilities which will form the basis for future carbon tax reduction initiatives.

The board (the "**Board**") of directors (the "**Directors**") of the Company and management of the Group strive to attain and maintain high standards of corporate governance best suited to the needs of its businesses and interest and value of the shareholders of the Company (the "**Shareholders**") as the Board believes that effective governance is essential to the maintenance of the Group's competitiveness and to its healthy growth.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to uphold high standards of corporate governance practices and business ethics in the Company, believing that they are crucial to improve the efficiency and performance of the Group and to safeguard the interests of the Shareholders. The Chairman takes primary responsibility for ensuring that good corporate governance practices and procedures are established. The Board reviews the Company's corporate governance practices from time to time in order to meet the expectations of stakeholders and comply with increasingly stringent regulatory requirements, and to fulfill its commitment to excellence in corporate governance.

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 C1 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The Company periodically reviews its corporate governance practices to ensure its continuous compliance with the CG Code. Except with the deviation from code provision C.1.6 which requires independent non-executive Directors and other non-executive Directors to attend general meetings to gain and develop a balanced understanding of the views of shareholders, the Company has complied with all code provisions of the CG Code and adopted the recommended best practices of the CG Code insofar as they are relevant and practicable for the year ended 31 December 2023 (the "**Year**").

CORPORATE GOVERNANCE CODE

Saved as disclosed above, the Company has applied the principles of and complied with all the applicable code provisions set out from time to time in the CG Code under Appendix C1 to Listing Rules of the Stock Exchange during the year ended 31 December 2023 and up to the date of this annual report.

MODEL CODE FOR DIRECTORS' 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 C3 to the Listing Rules. Having made specific enquiry of all Directors, each of the Directors has confirmed that he had complied with the required standard set out in the Model Code throughout the Year.

BOARD OF DIRECTORS

Composition of the Board

The Board currently comprises two executive Directors, one non-executive Director and three independent non-executive Directors as follows:

Executive Directors

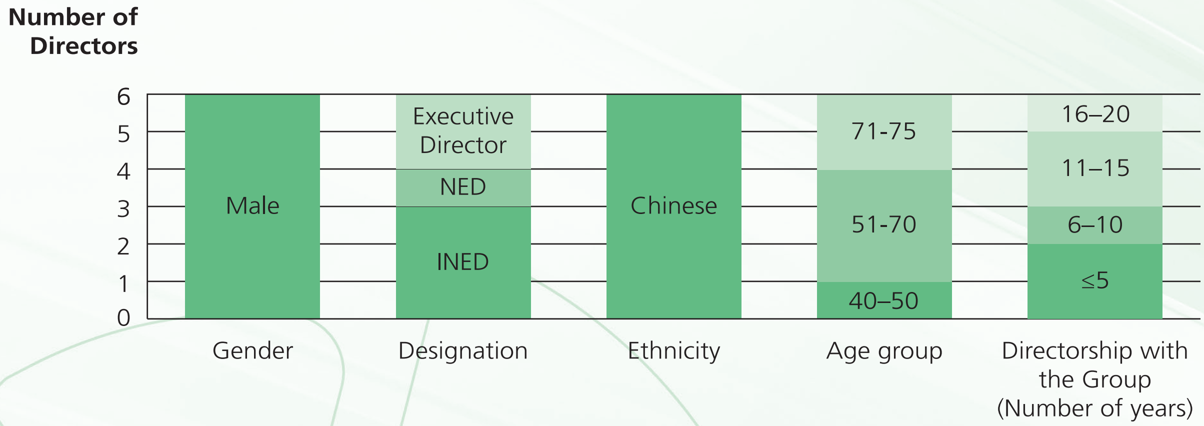
Mr. CHENG, Kam Chiu Stewart *(Chairman)*
Mr. TANG, John Wing Yan *(Chief Executive Officer)*

Non-executive Director

Mr. LEE, Chi Hin Jacob

Independent non-executive Directors

Mr. YUNG, Chun Fai Dickie
Mr. CHIU, Wai On
Mr. HUANG, Victor



The Board has a balanced composition of Executive and Non-executive Directors with each Director having sound knowledge, experience and expertise contributing to the performance and development of the Group. All Directors are aware of their collective and individual responsibilities to the Shareholders and have exercised their duties of care, skill and diligence.

The Board members do not have any financial, business, family or other material and/or relevant relationships with each other. Biographical details of the Board members are set out in the "Information of Directors" section of this annual report.

Board Diversity Policy

The Company has a board diversity policy (the "**Policy**") which sets out the approach to diversify the Board. The Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, professional and industrial experience, skills, knowledge, length of service, and any other factors that the Board might consider relevant and applicable. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Nomination Committee has set the measurable objectives based on gender, age, cultural and educational background, professional experience and skills and knowledge for the implementation of Board diversity of the Company.

The Nomination Committee and the Board will review the Policy, on a regular basis, to ensure its continued effectiveness from time to time. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

Based on the latest review, the Nomination Committee considers the Board to be diverse in respect of the aforesaid evaluation criteria though the current Board consists of members with single gender. The Nomination Committee will continue to ensure that diversity is taken into consideration when assessing Board composition.

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 Nomination Committee has started looking for potential candidates and to develop a pipeline of potential successors to the Board and will seek assistance from professional search firms if necessary. The Company plans to appoint at least one female member to the Board by the end of 2024. The Company has also taken, and continues to take, steps to promote diversity at all levels of its workforce (including senior management). Opportunities for employment, training and career development are equally opened to all eligible employees without discrimination.

As at 31 December 2023, the gender ratio of the Group's workforce (including senior management) was approximately 70% male to 30% female due to oil and gas and commodities trading business industries traditionally have less female participants. The Company's hiring is merit based and non-discriminatory. The Board is satisfied that the Company has achieved gender diversity in its workforce in view of the nature of the business of the Group.

The Group is determined to maintain gender diversity and equality in terms of the whole workforce, and to procure the senior management team to achieve gender equality in terms of the gender ratio within a medium-term time frame. The Company expects the above is achievable with suitable effort in promoting the gender diversity culture, which the Group has been advocating for.

Responsibilities of the Board

The Board is responsible for the leadership and control of the Company and collectively responsible for promoting success of the Company by directing and supervising the Company's affairs. The Board also formulates objectives, overall corporate strategies and business plans, and oversees the financial and management performance of the Group. Day-to-day functions and authorities are delegated to the management, which include the implementation of objectives, strategies and plans adopted by the Board and the day-to-day management of the Group's business. There are established procedures for the Directors upon reasonable request, to seek independent advice in appropriate circumstances, at the Company's expense.

Apart from the regular Board meetings and pursuant to code provision C.2.7 of the CG Code, the chairman has also met with the independent non-executive Directors without the presence of executive Directors during the year. The independent non-executive Directors are encouraged to provide their independent views to the Board.

Corporate governance functions

It is the responsibility of the Board to determine the appropriate corporate governance practices applicable to the Company's circumstances and to ensure processes and procedures are in place to achieve the Company's corporate governance objectives.

The duties of the Board performing corporate governance functions under the CG Code include:

1. to develop and review the Company's policies and practices on corporate governance and make recommendations;

2. to review and monitor the training and continuous professional development of Directors and senior management of the Company;

3. to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

4. to develop, review and monitor the code of conduct and compliance manual (in any) applicable to employees and Directors of the Company; and

5. to review the Company's compliance with the CG Code and disclosure in the Corporate Governance.

The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

Board Meetings

The Board meets regularly and at least four times a year for the reviewing and approval of the Company's financial and operating performance, as well as the consideration and approval of the overall strategies and policies of the Company. Apart from the regular board meetings, the Board met on other occasions where necessary. Throughout the Year, Directors also participate in the consideration and approval of routine and operational matters of the Company by way of circulating resolutions.

During the Year, the Board held four regular meetings. To facilitate maximum attendance of the Directors and to provide opportunity to include matters in the agenda for the Board meetings, notices of regular Board meetings are served to all Directors at least 14 days before the regular meetings while reasonable notice is generally given for other meetings. Meeting agenda together with all appropriate, complete and reliable information are normally given to all Directors no less than 3 days prior to each Board meeting to enable them to make informed decisions. The Company Secretary is responsible to ensure that Board meetings comply with the relevant procedures, rules and regulations. All Board meeting minutes record the details of the matters discussed and decisions made. Board minutes are kept by the Company Secretary and signed by respective Directors.

Directors' attendance of the Board Meetings and Annual General Meeting ("**AGM**") held during the Year are set out below:

Name of Directors	Number of Board Meetings attended/held	AGM attended/held
Executive of Directors		
Mr. CHENG, Kam Chiu Stewart *(Chairman)*	9/9	1/1
Mr. TANG, John Wing Yan *(Chief Executive Officer)*	5/9	1/1
Non-executive Director		
Mr. LEE, Chi Hin Jacob *(Note 1)*	8/9	0/1
Independent Non-executive Directors		
Mr. YUNG, Chun Fai Dickie	7/9	1/1
Mr. CHIU, Wai On	9/9	1/1
Mr. HUANG, Victor	8/9	1/1

Note 1: Mr. LEE, Chi Hin Jacob, the non-executive Director of the Company, was unable to attend the annual general meeting of the Company held on 20 June 2023 due to other business engagements.

Chairman and Chief Executive Officer

The roles of Chairman and Chief Executive Officer are held by two executive Directors, Mr. CHENG, Kam Chiu Stewart and Mr. TANG, John Wing Yan respectively. Their respective responsibilities are clearly established and defined.

The Chairman provides leadership for the Board and is accountable to the Board ultimately. The Chairman takes the lead to encourage Directors to make active contribution to the Board's affairs and ensure that the Board acts in the best interests of the Company.

The Chief Executive Officer represents the management of the Company and is accountable to the Board. His main responsibilities include overseeing the implementation of the Group's strategies, objectives and policies as well as monitoring day-to-day management of the Group's businesses and operations.

Non-executive Director and Independent non-executive Directors

The non-executive Director and the independent non-executive Directors give the Board the benefit of their skills, expertise, varied background and experiences. Through active participation in Board meetings and serving on various Board Committees, the non-executive Director and the independent non-executive Directors bring in independent judgment and make valuable contributions to the effective direction and strategic decision-making of the Group.

The Company has received an annual confirmation of independence from each of the three independent non-executive Directors. Each independent non-executive Director is required to inform the Company as soon as practicable if there is any change that may affect his independence. Directors have also disclosed to the Company the changes, if any, in the number and nature of offices they held in public companies or organisations and other significant commitment, including the identity of the public companies or organisations and an indication of the time involved. During the Year, the Nomination Committee has assessed the independence of each of the independent non-executive Directors based on the guidelines as set out in Rule 3.13 of the Listing Rules and considered them to be independent.

The Company's non-executive Director has entered into a service contract with the Company pursuant to which they agreed to act as a non-Executive Director for a term of three years with effect from March 2019, which shall be renewed as determined by the Board or the shareholders of the Company. The appointment of the non-executive Directors may be terminated by either party by giving prior written notice to the other.

Each of the Company's independent non-executive Directors has been appointed for a term of three years with effect from November 2006, March 2013 and June 2020 respectively, which shall be renewed as determined by the Board or the shareholders of the Company. The appointment of each of the independent non-executive Directors may be terminated by either party giving prior written notice to the other.

During the year ended 31 December 2023, the Board has at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors, the number of which must represent at least one-third of the Board, with at least one independent non-executive Director possessing appropriate professional qualifications, accounting or related financial management expertise. The views of the independent non-executive Directors carry weight in the Board's decisions, and their participation helps the Board exercise judgement, make decisions and act objectively in the interests of the Company and its shareholders as a whole.

Mr. Chiu, Wai On and Mr. Yung, Dickie Chun Fai have served as independent non-executive directors of the Company for more than 9 years. Consideration was given to the independence of these directors. During the year of appointment, they have demonstrated their abilities to provide an independent view to the Company's matters and were free from any business or other relationship which could interfere with their ability to discharge their duties effectively. Their familiarity with the business and the industry over the year has enabled them to contribute the management of the risks involved as well as add to the diversity of the skills and perspectives of the Board. The Board believes that the long tenure of those independent non-executive director does not compromise their independence but instead brings significant positive qualities.

Appointment and re-election of Directors

In compliance with the requirements under the Listing Rules and the Bye-laws of the Company (the "**Bye-laws**"), (i) any Director who is appointed to fill a casual vacancy is subject to election by the Shareholders at the first general meeting after appointment; and (ii) all Directors should be subject to retirement by rotation at least once every three years and are eligible for re-election.

Accordingly, the Directors, Mr. LEE, Chi Hin Jacob and Mr. HUANG, Victor will retire from office by rotation at the AGM and being eligible, offer themselves for re-election at the same meeting.

INDUCTION, INFORMATION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

Upon appointment to the Board, Directors will receive an induction package covering the general understanding of the Group and its businesses and operations. Meetings will also be arranged with the Company's external legal adviser on directors' legal role and responsibilities.

All Directors are kept informed on a timely basis of major changes on the relevant laws, rules and regulations. Timely updates on the Group's financial performance, businesses and developments are also provided to the Directors. In addition, briefings and updates on the latest developments regarding the Listing Rules and other applicable regulatory requirements are provided to each of the Directors to ensure compliance and enhance their awareness of good corporate governance practices. They also have full and timely access to information on the Group and independent professional advice at all times whenever deemed necessary.

In compliance with the code provision C.1.4 of the CG Code, all Directors should participate in continuous professional development (the "**CPD**") to develop and refresh their knowledge and skills. During the Year, the Company encouraged all Directors to attend training courses, seminars, webcasts or conferences which were relevant to their respective duties and responsibilities at the Company's expenses, and provided relevant materials and updates for their reading. The Directors are required to provide the Company with details of CPD training taken by them from time to time. The training records are kept by the Company Secretary. Based on the records provided, the Directors participated in the following CPD programmes during the Year:

	Directors' Training in 2023	
Name of Directors	**Attending training courses, seminars, webcasts or conferences**	**Reading materials or updates**
Executive of 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	✓	✓

BOARD COMMITTEES

As an important part of a sound corporate governance practice, the Board has established four Board Committees: the Nomination Committee, Remuneration Committee, Audit Committee and Executive Committee to assist the Board to discharge its functions. Each Committee has specific written terms of reference which sets out clearly the Committee's duties and authority. The terms of reference and the list of members of each committee are published on the websites of the Stock Exchange and/or the Company.

The Board Committees are provided with sufficient resources to perform their duties, including the management support and engagement of independent professional advice at the Company's expense. The Committees report to the Board on their decisions or recommendations and maintain an effective and constructive communication with the Board.

Remuneration Committee

The Remuneration Committee currently comprises four Directors namely Mr. CHENG, Kam Chiu Stewart, Mr. YUNG, Chun Fai Dickie, Mr. CHIU, Wai On and Mr. HUANG, Victor with majority members being independent non-executive Directors. Mr. YUNG, Chun Fai Dickie, an independent non-executive Director, is currently the chairman of the Remuneration Committee.

The prime duties of the Remuneration Committee include making recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; assessing performance of executive Directors and approve the terms of the service contracts of the executive Directors; making recommendations to the Board on the remuneration packages of individual executive Directors and senior management; and making recommendations to the Board on the remuneration of non-executive Directors.

For the remuneration of executive Directors of the Company, the Remuneration Committee adopted the model described in code provision E.1.2(c)(i) of the CG Code.

The Terms of Reference was updated during the Year and please refer to the Company's announcement dated 18 January 2023 for further information.

During the Year, the Remuneration Committee convened one meeting to, inter alias, review the remuneration packages and assess performance of the executive Directors and the senior management of the Company with reference to the Group's operating results, their duties and level of responsibility and the prevailing market conditions. Members and their attendance are as follows:

Name of Members	Number of Meetings attended/held
Mr. YUNG, Chun Fai Dickie *(Chairman)*	1/1
Mr. CHENG, Kam Chiu Stewart	1/1
Mr. CHIU, Wai On	1/1
Mr. HUANG, Victor	1/1

Nomination Committee

The Nomination Committee was established with written terms of reference in compliance with code provision B.3 of part 2 of the CG Code and currently comprises four Directors namely Mr. LEE, Chi Hin Jacob, Mr. YUNG, Chun Fai Dickie, Mr. CHIU, Wai On and Mr. HUANG, Victor with majority members being independent non-executive Directors. Mr. YUNG, Chun Fai, Dickie, an independent non-executive Director, is currently the chairman of the Nomination Committee.

The Nomination Committee is responsible for, amongst other things, identifying individuals suitably qualified to become Board members, considering the re-appointment of Directors, reviewing the Board's diversity policy and relevant implementation of the diversity policy, and making recommendations to the Board in respect of the aforesaid matters.

By such policy, the selection of candidates is based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The ultimate decision is based on merit and contribution that the selected candidates bring to the Board. Details of the authority and duties of the Nomination Committee are available on the websites of the Company and Stock Exchange.

During the Year, the Nomination Committee convened one meeting to review the structure, size, composition and diversity of the Board. Members and their attendance are as follows:

Name of Members	Number of Meeting attended/held
Mr. YUNG, Chun Fai Dickie *(Chairman)*	1/1
Mr. CHIU, Wai On	1/1
Mr. LEE, Chi Hin Jacob	1/1
Mr. HUANG, Victor	1/1

Audit Committee

The Audit Committee was established with written terms of reference aligned with Rule 3.21 and 3.22 of the Listing Rules and code provision D.3 of the CG Code and currently comprises four Directors namely Mr. LEE, Chi Hin Jacob, Mr. YUNG, Chun Fai Dickie, Mr. CHIU, Wai On and Mr. HUANG, Victor with majority members being independent non-executive Directors. All of them possess the relevant qualifications, experiences and skills to contribute to the financial, governance, internal controls and risk management of the Company. Mr. CHIU, Wai On, an independent non-executive Director, with professional qualifications and accounting and related financial management expertise is currently the chairman of the Audit Committee.

The main duties of the Audit Committee include reviewing the consolidated financial statements and reports and considering any significant or unusual financial items; overseeing the relationship between the Company and the external auditor; considering the scope of its audit, approving the audit fees and the appropriateness of non-audit services; assessing the effectiveness of the Company's internal audit function; evaluating the continuing connected transactions; and reviewing the adequacy and effectiveness of the Company's financial controls and risk management and internal control systems. Details of the authority and duties of the Audit Committee are available on the websites of the Company and Stock Exchange.

The Audit Committee has explicit authority to investigate any activity within its terms of reference and the authority to obtain outside legal or other independent professional advice if it considers necessary. It is given access to and assistance from the employees and reasonable resources to discharge its duties properly. The Board has had no disagreement with the Audit Committee's view on the re-appointment of the external auditor.

During the Year, the Audit Committee held two meetings, inter alia, to review the 2022 annual results and the 2023 interim results of the Group and to review the Group's internal control system including the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function and effectiveness of the internal audit function. In addition, the Audit Committee met the external auditor once without the presence of the management to discuss any areas of concerns. Members' attendance of the Audit Committee Meetings held during the Year are set out below:

Name of Members	Number of Meetings attended/held
Mr. CHIU, Wai On *(Chairman)*	2/2
Mr. LEE, Chi Hin Jacob	2/2
Mr. YUNG, Chun Fai Dickie	2/2
Mr. HUANG, Victor	2/2

Executive Committee

The Executive Committee was established on 30 August 2017 and is currently chaired by the Chairman of the Board, Mr. CHENG, Kam Chiu Stewart with the CEO, Mr. TANG, John Wing Yan as a member. The executive Directors involved in operations of the Group and are fully aware of the performance, position, and prospects of the Company.

The main duties of the Executive Committee include overseeing the general management and day-to-day operations of the Company, monitoring the execution of the Company's business strategy as approved by the Board, approving any changes to the scope of authority delegated to the management and any other matters specifically delegated to it by the Board. Details of the authority and duties of the Executive Committee are available on the Company's website.

During the Year, the Executive Committee held one meeting. Members' attendance of the Executive Committee Meetings held during the Year are set out below:

Name of Members	Number of Meetings attended/held
Mr. CHENG, Kam Chiu Stewart *(Chairman)*	1/1
Mr. TANG, John Wing Yan *(Chief Executive Officer)*	1/1

ACCOUNTABILITY AND AUDIT

Financial reporting

The Directors acknowledge their responsibility for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of the Listing Rules, the Hong Kong Companies Ordinance and other applicable regulatory requirements, and for such internal control as the Directors determine necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The Board is responsible for presenting balanced, clear and understandable annual and interim reports, inside information announcements and other disclosures required under the Listing Rules and other statutory and regulatory requirements.

The management has provided the Directors such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval.

In determining the appropriate basis of preparation of the consolidated financial statements, the Directors have reviewed the Group's cash flow projections prepared by management based on estimations of future revenue from sales of crude oil, future production costs, committed and planned capital expenditure and the availability of financing, which cover a period of twelve months from the reporting period end date. They are of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due and committed future capital expenditure within the next twelve months from the end of the current reporting period.

The Directors also confirm that, to the best of their knowledge, information and belief, having made all reasonable enquires, they are not aware of any material uncertainties relating to events of conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The reporting responsibilities of the external auditor, PricewaterhouseCoopers ("**PwC**"), are set out in the Independent Auditor's Report on pages 67 to 71 to this annual report.

Auditor's remuneration

The Audit Committee is mandated to review and monitor the independence of the auditor to ensure objectivity and the effectiveness of the audit process of the consolidated financial statements in accordance with applicable standards. Members of the Audit Committee were of the view that PwC is independent and had recommended the Board to propose its re-appointment as the Company 's independent auditor at the 2024 AGM.

A summary of audit and non-audit services provided by PwC for the Year and their corresponding remuneration is as follows:

Nature of Services	**Amount** (HK$ million)
Audit service for the Year	3.80
Interim review for period ended 30 June 2023	0.40

RISK MANAGEMENT AND INTERNAL CONTROL

The Board, recognising its overall responsibility in ensuring the risk management and internal control systems of the Group and reviewing its effectiveness annually and on an ongoing basis, is committed to implementing an effective and sound risk management and internal control systems to safeguard the interests of the Shareholders and the assets of the Group. The Audit Committee has been delegated by the Board to review the risk management and internal control systems.

Procedures have been designed to (i) safeguard assets from inappropriate use; (ii) maintain proper accounting records; (iii) ensure compliance with applicable laws, rules and regulations; and (iv) manage the risk of failure to achieve business objectives. To safeguard confidentiality, information access is managed on a need-to-know basis. Use of computers, especially access to the internet and e-mail systems, is similarly regulated with a view towards security.

The risk management and internal control systems of the Group provide a reasonable, but not absolute, assurance that material misstatement of the financial statements or loss are prevented, potential interruption of the Group's management system is detected, and risks existing in the course of arriving at the Group's objectives are properly managed. It can only manage, rather than eliminate, all risks of failure to meet the Group's business objectives, material misstatement, errors, loss or fraud.

The Company does not have a standalone internal audit department; however, the Board has put in place adequate measures to perform the internal audit function at different aspects of the Group. During the Year, the Company has hired independent internal audit consulting firms in addition to the Company's own internal control teams to perform an internal control review to assess the Group's internal control systems in order to assist the Board in reviewing its effectiveness. The reviews, normally performed once a year, covered the effectiveness of the financial, operational and compliance controls and risk management functions of the Group, with a focus on the core businesses and/or processes of the Group. Relevant report was presented to and reviewed by the Audit Committee and the Board. Based on the results of internal control review for the Year and the assessment of the Audit Committee thereon, no material inadequacies or deficiencies in the risk management and internal control systems were drawn to the attention of the Audit Committee, but appropriate recommendations for further enhancing the internal control systems have been taken. The Board is of the view that the internal control systems were effective and adequate and no irregularities, fraud or other deficiencies were identified for the financial year ended 2023.

PROCEDURES AND INTERNAL CONTROLS FOR THE HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Group complies with requirements of Securities and Futures Ordinance ("**SFO**") and the Listing Rules. The Group discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the safe harbours as provided in the SFO. Before the information is fully disclosed to the public, the Group ensures the information is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would immediately disclose the information to the public. The Group is committed to ensure that information contained in announcements or circulars are not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

DIVIDEND POLICY

In order to enhance transparency of the Company and facilitate the Shareholders and investors to make informed investment decisions relating to the Company, the Board adopted a dividend policy on 26 March 2019 (the "**Dividend Policy**").

According to the Dividend Policy, when determining whether to declare any dividend in the future and the amount of dividend to be declared, the Company shall consider a number of factors, including but not limited to:

a. the actual and expected financial performance of the Group;

b. retained earnings and distributable reserves of the Company and each of the members of the Group;

c. the liquidity positions of the Group;

d. the future cash requirements and availability of the Group, including its expected working capital requirements, capital expenditure requirements and future expansion plans;

e. any restrictions on payments of dividends that may be imposed by the Group's lenders;

f. the general market conditions, business cycle of the Group's business and other internal and external factors that may have an impact on the business or financial performance and position of the Group; and

g. any other factor that the Board may consider appropriate.

The Company does not have any pre-determined dividend distribution proportion or distribution ratio. The declaration, payment and amount of dividends will be subject to the Board's discretion. The Board will review the Dividend Policy on a regular basis.

COMPANY SECRETARY

The Company Secretary directly reports to the Board. The Company Secretary is responsible for supporting and advising the Board on governance matters. All Directors have access to the advice and service of the Company Secretary to ensure that Board procedures, all applicable rules and regulations are followed.

Mr. LEE, Kun Yin is the Company Secretary of the Company and is a member of the Chartered Accountants in Australia & New Zealand and Hong Kong Institute of Certified Public Accountants, and hence complies with the requisite qualifications pursuant to Rules 3.28 and 8.17 of the Listing Rules to discharge the functions of the Company Secretary pursuant to the Listing Rules. His primary contact person of the Company is Mr. TANG, John Wing Yan, an executive Director and Chief Executive Officer of the Company. Mr. Lee has confirmed that he has taken no less than 15 hours of relevant professional training during the year ended 31 December 2023 and has complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules.

SHAREHOLDERS

Communications with Shareholders

The Board recognises the importance of continuing communications with the Company's Shareholders and investors, and maintains ongoing dialogues with them through various channels. The formal communication channels between the Company and the Shareholders are announcements, circulars and interim and annual reports. All Shareholders' communications are available on the Company's website.

The general meetings of the Company provide an opportunity for communication between the Board and the shareholders. The Chairman of the Board as well as Chairman of the Audit Committee, Remuneration Committee and Nomination Committee and, in their absence, other members of the respective committees, will normally attend the annual general meeting and other shareholders' meetings to answer questions and explain the procedures for demanding and conducting a poll, if necessary. The Company continues to enhance communications and relationships with its investors. Designated senior management maintains regular dialogue with institutional investors and analysts to keep them posted of the Company's developments.

Shareholders' Communication Policy

To promote effective communication, the Company adopts a shareholders' communication policy which aims at establishing a two-way relationship and communication between the Company and the Shareholders. The Company has established several channels to communicate with the shareholders as follows:

– corporate communications such as annual reports, interim reports and circulars are issued in printed form and are available on the website of the Stock Exchange and on the website of the Company at www.nt-energy.com;

– periodic announcements are published on the websites of the Stock Exchange and the Company;

– corporate information is made available on the Company's website; and

– annual and extraordinary general meetings, if any, provide a forum for the shareholders to make comments and exchange views with the Directors and senior management.

The Company reviewed the implementation and effectiveness of the shareholders' communication policy and in view of the communication channels available, considered it to be effective for the year ended 31 December 2023.

Shareholders' rights

Under the Bye-laws, Shareholders holding not less than 10% of the paid-up capital of the Company at the date of deposit of written requisition to the Board or the Company Secretary, can at all times request a special general meeting to be called by the Board for addressing specific issues of the Company within 21 days from the date of deposit of such requisition to the Company's head office address in Hong Kong.

The Group recognises Shareholders' rights in exercising control proportionate to their equity ownership. The Company has been conducting voting at the general meetings by way of poll, which is conducted and scrutinised by the Company's branch share registrar in Hong Kong. Procedures for conducting a poll are explained by the Chairman of the Board in the general meetings prior to the taking of the poll. Poll results are announced and posted on the websites of both the Company and the Stock Exchange.

Putting Forward Proposals at General Meetings

Pursuant to the Bermuda Companies Act 1981, either any number of the Shareholders holding not less than one-twentieth of the total voting rights of all the Shareholders having at the date of the requisition a right to vote at general meetings of the Company ("Requisitionist"), or not less than 100 of such Shareholders, can request the Company in writing to (a) give to the Shareholders entitled to receive notice of the next general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and (b) circulate to Shareholders entitled to have notice of any general meeting any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting. The requisition signed by all the Requisitionists must be deposited at the principal place of business of the Company in Hong Kong with a sum reasonably sufficient to meet the Company's relevant expenses and not less than 6 weeks before the meeting in the case of a requisition requiring notice of a resolution or not less than 1 week before the meeting in the case of any other requisition. Provided that an AGM is called for a date 6 weeks or less after the requisition has been deposited, such requisition though not deposited within the time required shall be deemed to have been properly deposited for the purposes thereof.

Constitutional Documents

During the financial year ended 31 December 2023, the Company proposed to amend its existing Bye-Laws by way of adoption of the new Bye-Laws (a) to bring the Bye-Laws to be in line with the relevant requirements of the applicable laws of Bermuda and the Listing Rules; and (b) to allow the Company to hold hybrid and virtual meetings of the Shareholders. Other minor amendments to the existing Bye-Laws were also proposed to be made to introduce the corresponding and house-keeping changes. Amendments had been made to the existing Bye-Laws of the Company with the approval from the Shareholders in the annual general meeting held on 20 June 2023. Details of the amendments were set out in the circular of the Company dated 18 January 2023.

The latest version of the new Bye-Laws is available on the websites of the Stock Exchange and the Company.

Shareholders' enquiries and proposals

Shareholders are, at any time, welcome to raise questions, proposals and request information (to the extent it is publicly available and appropriate to provide) from the Board and management by writing to:

Address:	Room 1402, 14/F, New World Tower I, 16-18 Queen's Road Central, Hong Kong
Attention:	Company Secretary
Email:	info@nt-energy.com

Shareholders may direct their enquiries about their shareholdings, share transfer, registration and payment of dividend to the Company's branch share registrar in Hong Kong, details of which are as follows:

Tricor Investor Services Limited

Address:	17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
Tel:	(852) 2980 1333
Fax:	(852) 2810 8185
Email:	is-enquiries@hk.tricorglobal.com

Whistle-Blowing Policy

The Company has put in place whistleblowing policy which applies to all the directors and employees (including but not limited to permanent, full-time, part-time and contract employees, etc.) of the Group and any parties who deal with the Group (including but not limited to investors, customers, contractors, suppliers, creditors and debtors, etc.). The policy is designed to provide the employees and any external parties with confidential whistleblowing channels to report to the Group the actual or suspected illegal activities and misconducts in financial reporting, internal control or other areas.

Whistle-blowers are able to contact the Board, senior management and/or their supervisors. The identity of the whistle-blower and all the concerns or irregularities raised will be treated with confidence and every effort will be made to ensure that confidentiality is maintained throughout the process.

The Board which is responsible for oversight and monitoring of the whistle-blowing policy and mechanism, will make decisions on further actions (if needed) while the Company is also committed to ensuring the protection of the whistle-blower against detrimental or unfair treatment.

Anti-Corruption Policy

The Company does not tolerate any corruption, bribery, extortion, fraud or money laundering during the course of its business activities.

The Company has in place an anti-corruption and integrity promotion system within all its employees, which forms part of the Company's employees staff manual. Employees are required to act with integrity and to report any suspected bribery, corruptions and money laundering cases to senior management or the Board. The employees are required to declare any conflict of interest when performing their duties.

Investor Relations

During the Year, the Company has proactively enhanced its corporate transparency and communications with its shareholders and the investors through the announcement of its interim and final reports. Through the timely distribution of other announcements, including but not limited to notices of meetings, circulars and other relevant Company's information, the Company has also kept the public aware of its latest developments.

Conclusion

Going forward, the Company will continue to review its corporate governance practices on a timely basis to continue its high level of transparency. The Company will also try to enhance its competitiveness, industry knowledge and operating efficiency in order to generate greater returns for its stakeholders.

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Independent Auditor's Report

To the Members of New Times Energy Corporation Limited

(incorporated in Bermuda with limited liability)

OPINION

What we have audited

The consolidated financial statements of New Times Energy Corporation Limited (the "**Company**") and its subsidiaries (the "**Group**"), which are set out on pages 72 to 146, comprise:

- the consolidated statement of financial position as at 31 December 2023;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated cash flow statement for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("**the Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Key audit matter identified in our audit is related to recoverable amounts of oil and gas properties under upstream segment.

Key Audit Matter	How our audit addressed the Key Audit Matter
Recoverable amounts of oil and gas properties under upstream segment	
Refer to notes 4 and 16 to the Group's consolidated financial statements. The Group's upstream segment had oil and gas properties which engaged in the exploration, development, production and sales of oil and gas in Argentina and Canada. The carrying amounts of oil and gas properties that included under "machinery" and "oil and gas production assets" of property, plant and equipment are approximately HK$16.0 million and HK$360.0 million, respectively, as at 31 December 2023. Given the volatile commodity price, management performed impairment assessments for the oil and gas properties as at 31 December 2023. The recoverable amounts of oil and gas properties were determined with reference to the fair value less cost of disposal prepared by management, by preparing discounted cash flow forecasts based on the reserves reports issued by the independent qualified technical consultants. The key assumptions used in the discounted cash flow forecasts included estimated future commodity prices, estimated future production volumes, estimated future production costs, estimated future capital expenditure and discount rate. The Group recognised an impairment charge in respect of oil production assets related to Willesden Green and Greater Sierra Area amounting to approximately HK$119.9 million for the year ended 31 December 2023.	In auditing the recoverable amounts of the oil and gas properties, we have performed following key audit procedures on the recoverable amounts calculations prepared by management and the key assumptions used in determining the recoverable amounts of the oil and gas properties: – We understood and evaluated the design of relevant controls in respect of the assessment of recoverable amounts of oil and gas properties and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as significant judgement and estimation involved in determining recoverable amounts of oil and gas properties; – We compared the estimates of future commodity prices adopted by the Group against the available commodity price forecasts; – We compared the production forecasts, reserve life index, revenue and expense forecast, product price and market forecast against the reserves reports prepared by the independent qualified technical consultants and the forecast production volume for the remaining concession period prepared by the management; – We evaluated the competence, capability and objectivity of the independent qualified technical consultants;

Key Audit Matter	How our audit addressed the Key Audit Matter
We focused on auditing the recoverable amount of oil and gas properties because the estimation of recoverable amounts is subject to high degree of estimation uncertainty. The inherent risk in relation to the estimating of recoverable amounts of oil and gas properties under upstream segment is considered significant due to the subjectivity of significant assumptions used in determining the recoverable amounts of the oil and gas properties.	– We evaluated the reasonableness of discount rates applied with assistance of our internal experts; and – We assessed the appropriateness of valuation methodologies in calculating the fair value less cost of disposal of the Group's oil and gas properties, and tested mathematical accuracy of the calculations with the assistance of our internal experts. Based on our work performed, we found the management's judgement and assumptions used in the estimation of recoverable amounts of oil and gas properties were supported by the available evidences.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in New Times Energy Corporation Limited 2023 Annual Report (the "**annual report**") other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine the matter that was of most significance in the audit of the consolidated financial statements of the current period and is therefore the key audit matter. We describe the matter in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Wilson Chan.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 25 March 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2023

	Note	2023 HK$ million	2022 HK$ million
Revenue	5	**26,150.2**	20,913.2
Cost of sales	8	**(26,287.1)**	(20,491.8)
Gross (loss)/profit		**(136.9)**	421.4
Other income and net gains and losses	6	**161.1**	13.0
Net investment (loss)/income	7	**(20.9)**	25.0
General and administrative expenses	8	**(108.3)**	(130.9)
Finance costs	11	**(54.6)**	(27.8)
Share of losses of joint ventures	20	**–***	–*
(Loss)/profit before taxation		**(159.6)**	300.7
Income tax credit/(expense)	12	**9.1**	(14.8)
(Loss)/profit for the year		**(150.5)**	285.9
(Loss)/profit attributable to:			
Owners of the Company		**(150.5)**	285.9
Non-controlling interests		**–***	–*
		(150.5)	285.9
(Losses)/earnings per share attributable to owners of the Company (expressed in HK cents per share)	14		
Basic		**(1.72)**	3.26
Diluted		**(1.72)**	3.26

The notes on pages 79 to 146 are an integral part of these consolidated financial statements.

* Amount less than HK$10,000

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Note	**2023 HK$ million**	2022 HK$ million
(Loss)/profit for the year		**(150.5)**	285.9
Other comprehensive income/(loss) for the year			
Item that will not be reclassified to profit or loss:			
Change in fair value of financial assets at fair value through other comprehensive income	21	**–***	–*
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**1.8**	(134.3)
Other comprehensive income/(loss) for the year, net of tax		**1.8**	(134.3)
Total comprehensive (loss)/income for the year		**(148.7)**	151.6
Total comprehensive (loss)/income attributable to:			
Owners of the Company		**(148.7)**	151.6
Non-controlling interests		**–**	–
		(148.7)	151.6

The notes on pages 79 to 146 are an integral part of these consolidated financial statements.

* Amount less than HK$10,000

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

	Note	2023 HK$ million	2022 HK$ million
Non-current assets			
Exploration and evaluation assets	15	**8.4**	–
Property, plant and equipment	16	**418.0**	961.7
Intangible assets	17	**2.4**	–
Investment property	18	**218.5**	–
Investments in joint ventures	20	**0.9**	0.9
Financial assets at fair value through other comprehensive income	21	**–***	–*
Prepayments, deposits and other receivables	22	**24.2**	17.6
		672.4	980.2
Current assets			
Inventories	23	**102.8**	111.4
Trade and other receivables	22	**93.4**	166.7
Financial assets at fair value through profit or loss	24	**35.5**	55.9
Cash and bank balances	25	**796.6**	851.2
		1,028.3	1,185.2
Current liabilities			
Trade and other payables	26	**164.8**	237.0
Lease liabilities	27	**5.8**	8.1
Derivative financial instruments	29	**1.5**	4.6
Provisions	30	**78.1**	80.1
Income tax payable		**2.6**	–
		252.8	329.8
Net current assets		**775.5**	855.4
Total assets less current liabilities		**1,447.9**	1,835.6

* Amount less than HK$10,000

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

	Note	2023 HK$ million	2022 HK$ million
Non-current liabilities			
Lease liabilities	27	**16.2**	21.0
Deferred tax liabilities	28	**23.7**	59.8
Provisions	30	**215.6**	433.2
		255.5	514.0
Net assets		**1,192.4**	1,321.6
Equity			
Equity attributable to owners of the Company			
Share capital	31	**87.4**	88.1
Reserves		**1,105.1**	1,233.6
		1,192.5	1,321.7
Non-controlling interests		**(0.1)**	(0.1)
Total equity		**1,192.4**	1,321.6

The consolidated financial statements on pages 72 to 146 were approved and authorised for issue by the board of directors on 25 March 2024 and signed on its behalf.

CHENG, Kam Chiu Stewart
Director

TANG, John Wing Yan
Director

The notes on pages 79 to 146 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Attributable to owners of the Company										
	Share capital HK$ million	Share premium HK$ million	Capital reserve HK$ million	Exchange reserve HK$ million	Fair value reserve (non-recycling) HK$ million	Contributed surplus HK$ million	Share-based payment reserve HK$ million	Accumulated losses HK$ million	Total HK$ million	Non-controlling interests HK$ million	Total equity HK$ million
Balance at 1 January 2022	87.6	4,868.2	9.6	(574.5)	(123.2)	740.9	–	(3,907.0)	1,101.6	(0.1)	1,101.5
Profit for the year	–	–	–	–	–	–	–	285.9	285.9	–	285.9
Other comprehensive loss	–	–	–	(134.3)	–	–	–	–	(134.3)	–	(134.3)
Total comprehensive (loss)/income	–	–	–	(134.3)	–	–	–	285.9	151.6	–	151.6
Impact of hyperinflation – restatement effect	–	–	–	–	–	–	–	51.8	51.8	–	51.8
Share options granted	–	–	–	–	–	–	9.8	–	9.8	–	9.8
Exercise of share option	0.5	10.2	–	–	–	–	(3.8)	–	6.9	–	6.9
	0.5	10.2	–	–	–	–	6.0	51.8	68.5	–	68.5
Balance at 31 December 2022	**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 year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(150.5)**	**(150.5)**	**–**	**(150.5)**
Other comprehensive loss	**–**	**–**	**–**	**1.8**	**–**	**–**	**–**	**–**	**1.8**	**–**	**1.8**
Total comprehensive (loss)/income	**–**	**–**	**–**	**1.8**	**–**	**–**	**–**	**(150.5)**	**(148.7)**	**–**	**(148.7)**
Impact of hyperinflation – restatement effect	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**27.6**	**27.6**	**–**	**27.6**
Repurchase and cancellation of own shares	**(0.7)**	**(7.4)**	**–**	**–**	**–**	**–**	**–**	**–**	**(8.1)**	**–**	**(8.1)**
	(0.7)	**(7.4)**	**–**	**–**	**–**	**–**	**–**	**27.6**	**19.5**	**–**	**19.5**
Balance at 31 December 2023	**87.4**	**4,871.0**	**9.6**	**(707.0)**	**(123.2)**	**740.9**	**6.0**	**(3,692.2)**	**1,192.5**	**(0.1)**	**1,192.4**

The notes on pages 79 to 146 are an integral part of these consolidated financial statements.

* Amount less than HK$10,000

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2023

	Note	2023 HK$ million	2022 HK$ million
Operating activities			
(Loss)/profit before taxation		**(159.6)**	300.7
Adjustments for:			
Depreciation	8	**177.8**	132.6
Impairment loss on property, plant and equipment		**119.9**	–
Fair value gain on investment property		**(116.4)**	–
Unrealised fair value (gain)/loss on derivative financial instruments		**(4.6)**	2.2
Fair value losses on gold investment	6	**–**	0.9
Finance costs	11	**54.6**	27.8
Hyperinflation monetary adjustments		**(29.8)**	22.9
Other income		**(2.4)**	–
Loss on disposal of property, plant and equipment		**0.5**	–
Bank interest income	6	**(25.7)**	(7.6)
Net investment (income)/loss	7	**20.9**	(25.0)
Share-based payments		**–**	9.8
Net foreign exchange losses		**3.5**	14.1
Share of losses of joint ventures	20	**–***	–*
Operating cash flows before changes in working capital		**38.7**	478.4
Changes in working capital:			
Decrease/(increase) in inventories		**4.3**	(65.7)
Decrease in trade and other receivables		**48.9**	12.5
(Decrease)/increase in trade and other payables		**(105.6)**	103.5
Cash (used in)/generated from operations		**(13.7)**	528.7
Interest received		**25.0**	7.6
Income tax refund		**–**	0.1
Net cash generated from operating activities		**11.3**	536.4

* Amount less than HK$10,000

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2023

	Note	**2023 HK$ million**	2022 HK$ million
Investing activities			
Payment for purchase of financial assets at fair value through profit or loss		**(2.8)**	(1.6)
Proceeds from sale of gold investment		**–**	65.1
Payment for purchase of exploration and evaluation assets		**(8.0)**	–
Payment for purchase of property, plant and equipment		**(68.4)**	(208.3)
Proceeds from disposal of property, plant and equipment		**–***	–*
Proceeds from redemption of financial assets at fair value through profit or loss		**1.6**	46.9
Interest received from financial assets at fair value through profit or loss		**–***	1.2
Dividend received from financial assets at fair value through profit or loss		**0.6**	0.7
Net cash used in investing activities		**(77.0)**	(96.0)
Financing activities			
Proceeds from exercise of share options		**–**	6.9
Share repurchase		**(8.1)**	–
Payment for lease liabilities (including interest)		**(8.8)**	(11.4)
Net cash used in financing activities		**(16.9)**	(4.5)
Net (decrease)/increase in cash and bank balances		**(82.6)**	435.9
Cash and cash equivalents at 1 January		**851.2**	495.0
Effect of foreign exchange rate changes		**28.0**	(79.7)
Cash and bank balances at 31 December	24	**796.6**	851.2

The notes on pages 79 to 146 are an integral part of these consolidated financial statements.

* Amount less than HK$10,000

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. Details of the principal activities of the Company's subsidiaries are set out in Note 19. The Company and its subsidiaries are collectively referred to the "Group".

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

2 BASIS OF PREPARATION

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

– financial assets at fair value through other comprehensive income ("**FVOCI**") and financial assets and liabilities at fair value through profit or loss ("**FVPL**") (including derivative financial instruments) measured at fair value;

– investment property measured at fair value; and

– adjustments for the effect of inflation where entities operate in a hyperinflationary economy.

The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of a judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2 BASIS OF PREPARATION *(Continued)*

(a) New standards and amendments to accounting standards adopted by the Group

Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules
HKFRS 17	Insurance Contracts
HKFRS 17	Amendments to HKFRS 17
HKFRS 17	Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information

The new standards and amendments to accounting standards listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current and future periods.

(b) Amendments to accounting standards and interpretations not yet adopted

Certain amendments to accounting standards and interpretations have been published that are not mandatory for the year ended 31 December 2023 and have not been early adopted by the Group. These amendments to accounting standards and interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial instruments by categories

	Note	Financial assets at FVPL HK$ million	Financial assets at FVOCI HK$ million	Financial assets at amortised cost HK$ million	Financial liabilities at FVPL HK$ million	Financial liabilities at amortised cost HK$ million
As at 31 December 2023						
Equity investments	21, 24	35.3	–*	–	–	–
Debt investments	24	0.2	–	–	–	–
Derivatives	29	–	–	–	1.5	–
Trade and other receivables	22	–	–	93.5	–	–
Cash and bank balances	25	–	–	796.6	–	–
Trade and other payables	26	–	–	–	–	157.9
Lease liabilities	27	–	–	–	–	22.0
		35.5	–	890.1	1.5	179.9

	Note	Financial assets at FVPL HK$ million	Financial assets at FVOCI HK$ million	Financial assets at amortised cost HK$ million	Financial liabilities at FVPL HK$ million	Financial liabilities at amortised cost HK$ million
As at 31 December 2022						
Equity investments	21, 24	55.9	–*	–	–	–
Derivatives	29	–	–	–	4.6	–
Trade and other receivables	22	–	–	153.5	–	–
Cash and bank balances	25	–	–	851.2	–	–
Trade and other payables	26	–	–	–	–	209.7
Lease liabilities	27	–	–	–	–	29.1
		55.9	–	1,004.7	4.6	238.8

* Amount less than HK$10,000

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.2 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 management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(a) Market risk

(i) Currency risk

The Group is exposed to currency risk primarily through carrying out exploration activities in Argentina and Canada and general and commodities trading in Hong Kong, with respect to United States dollar ("**US$**"). Currency risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Management has set up a policy to require group companies to manage their foreign exchange risk against functional currency. It mainly includes managing the exposures arise from sales and purchases made by the relevant group companies in currencies other than their own functional currencies. The Group also manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures. Presently, there is no hedging policy with respect to the foreign exchange exposure.

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in Hong Kong dollar, translated using the spot rate at the year-end date. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency are excluded.

	Exposure to US$ (expressed in HK$)	
	2023	2022
	HK$ million	HK$ million
Trade and other receivables	**8.3**	0.8
Cash and cash equivalents	**384.7**	384.3
Trade and other payables	**(0.8)**	(27.1)
Financial assets at FVPL	**0.2**	–
Net exposure arising from recognised assets and liabilities	**392.4**	358.0

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.2 Financial risk factors *(Continued)*

(a) Market risk (Continued)

(i) Currency risk (Continued)

Majority of the Group currency risk exposure to US$ is related to the Group's operations in Hong Kong for which HK$ is the functional currency. Since the pegged rate between the Hong Kong dollar and the US$ would not be materially affected by any changes in movement in value of the US$ against other currencies, the directors of the Company considered that the Group's exposure to currency risk is not significant and accordingly, no sensitivity analysis has been presented.

(ii) Price risk

The Group is exposed to price changes arising from debt and equity investments classified in the consolidated statement of financial position either as at financial assets at FVOCI or at FVPL amounted to HK$3,000 (2022: HK$2,000) and HK$35.5 million (2022: HK$55.9 million), respectively. Most of these investments are listed either on the stock exchanges of Hong Kong or other countries.

Equity investments have been chosen based on their longer term growth potential and are monitored regularly for performance against expectations.

Debt investments are placed with counterparties with sound credit quality. The Group closely monitors the credit quality and financial positions of counterparties and consider appropriate action if the market value of those securities decline by a pre-determined threshold.

At 31 December 2023, it is estimated that an increase/decrease of 5% in the price of relevant financial instruments, with all other variables held constant, would have decreased/increased the Group's profit before taxation and other comprehensive income by HK$1.8 million (2022: HK$2.8 million) and HK$150 (2022: HK$100), respectively, as a result of the change in fair value of debt and equity investments.

Commodity price risk is the risk that fair value or future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices and gold prices are affected by a number of economic, political and military factors which are not within the control by the Group.

The change in prices of precious metals expose the Group to price risk as the Group conducts business activities in precious metals trading and also holds gold investments. As at 31 December 2023, the Group had certain derivative financial liabilities with a carrying amount of HK$1.5 million (2022: HK$4.6 million) for the purpose to mitigate the price risk arising from precious metals price fluctuations. Hence, the Group considered the price risk arising from precious metals price fluctuations is significantly reduced.

The change in commodity prices expose the Group to price risk as the Group conducts gas- and petroleum-related activities in Canada and Argentina. A decrease in such prices could adversely affect the Group's financial position. The Group has not used any derivative instruments to hedge against potential price fluctuations of crude oil. The management will consider appropriate hedging policy when the need arises.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.2 Financial risk factors *(Continued)*

(a) Market risk (Continued)

(iii) Interest rate risk

As the Group has no significant interest-bearing assets, except for short-term bank deposits and debt investments, the Group's income and operating cash flows are substantially independent of changes in market interest rates. Management does not anticipate significant impact on interest-bearing assets resulted from changes in interest rates because the interest rates of bank deposits and debt investments are not expected to change significantly.

(b) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables, cash at banks and the unlisted investment classified as financial assets at FVPL with a maximum exposure equal to the carrying amounts of these financial instruments which are stated as follows:

	2023	2022
	HK$ million	HK$ million
Trade receivables	**52.7**	103.9
Deposits and other receivables	**40.8**	49.6
Cash and bank balances	**796.6**	851.2
Unlisted investment classified as financial assets at fair value through profit or loss	**2.8**	1.6
Maximum exposure to credit risk	**892.9**	1,006.3

(i) Trade receivables

The management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. Credit evaluations of its customers' financial position and condition are performed on each and every major customer periodically. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and taking into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Normally, the Group does not require collateral in respect of its financial assets. Debts are usually due within 30 days (2022: 30 days) from the date of billing.

To mitigate credit risk with respect to receivables arising from sale of precious metals, the Group usually requires customers to pay significant amount of advanced payments to the Group before goods are delivered. Hence, the Group considered the credit risk is significantly reduced. There was no significant amount of overdue receivables arising from other customers as at 31 December 2023 (2022: Nil).

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

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.2 Financial risk factors *(Continued)*

(b) Credit risk (Continued)

(i) Trade receivables (Continued)

To measure the expected credit losses, trade receivables have been assessed on an individual basis. Management has applied the expected credit risk model and estimated the probability of default rate and loss given default rate after considering the current economic environment and the forward-looking economic factors. As the Group only had limited numbers of customers, credit risk of each customer was assessed individually. The directors of the Company are of the opinion that the expected credit loss is not significant as a majority of the balance is due from government bodies and no provision has been made as at 31 December 2023 and 2022.

(ii) Credit risk of cash at banks

Management considers that the Group has limited credit risk with its banks which are leading and reputable with low credit risk. The Group has not incurred significant loss from non-performance by these parties in the past and management does not expect so in the future. Therefore, expected credit loss rate of cash at bank is assessed to be minimal and no provision was made as of 31 December 2023 and 2022.

(iii) Deposits and other debtors

Deposits and other debtors were mainly interest receivables, rental deposits, and refundable deposits placed to third parties. The credit quality of deposits and other receivables has been assessed with reference to historical information about the counterparties default rates and financial position of the counterparties. The directors of the Company are of the opinion that the risk of default by these counterparties is not significant and there was no significant increase in credit risk. The expected credit loss was limited to 12 months expected credit losses. Therefore, credit loss rate of the deposits and other receivables is assessed to be minimal and no provision was made as at 31 December 2023 and 2022.

(iv) Financial assets at FVPL

The Group had investments in unlisted fund and debt securities. The Group monitors the credit risks of these investments through evaluation of financial data and performance of the investees. The directors of the Company were of the opinion that the risk of default by these counterparties was not significant and there was no significant increase in credit risk. The expected credit loss was limited to 12 months expected credit losses. Therefore, credit loss rate of these investments was assessed to be minimal and no provision was made as at 31 December 2023 and 2022.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.2 Financial risk factors *(Continued)*

(c) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the Company's Board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables detail the remaining contractual maturities at date of the statement of financial position of the Group's non-derivative financial liabilities and lease liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the statement of financial position date) and the earliest date the Group can be required to pay. Balance due within 12 months equal their carrying balances as the impact of discounting is not significant.

The Group's derivative instruments with negative fair value of approximately HK$1.5 million represented the gold future contracts and paper gold and paper silver which were settled on a net basis and has been included within "less than 1 year or on demand" time bucket based on an expected maturity basis. This is because the contractual maturity are not essential for an understanding of the timing of the cash flows.

	Total carrying amount HK$ million	Total contractual undiscounted HK$ million	Less than 1 year or on demand HK$ million	Between 1 to 2 years HK$ million	Between 2 to 5 years HK$ million	Over 5 years HK$ million
As at 31 December 2023						
Trade and other payables	**157.9**	**157.9**	**157.9**	**–**	**–**	**–**
Lease liabilities	**22.0**	**34.4**	**6.3**	**4.0**	**2.9**	**21.2**
Net-settled derivative financial instruments	**1.5**	**1.5**	**1.5**	**–**	**–**	**–**
	181.4	**193.8**	**165.7**	**4.0**	**2.9**	**21.2**
As at 31 December 2022						
Trade and other payables	209.7	209.7	209.7	–	–	–
Lease liabilities	29.1	38.4	9.4	6.3	7.3	15.4
Net-settled derivative financial instruments	4.6	4.6	4.6	–	–	–
	243.4	252.7	223.7	6.3	7.3	15.4

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.3 Capital risk management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders' returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of a net debt-to-capital ratio. For this purpose, net debt is defined as total debt which includes interest-bearing borrowings. Total equity is the balance as shown in the consolidated statement of financial position.

During the year ended 31 December 2023, the Group's strategy, which was unchanged from 2022, was to maintain the net debt-to-capital ratio at a reasonable level. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. The table below analyses the net debt-to-capital ratio as at 31 December 2023 and 2022:

	2023 **HK$ million**	2022 HK$ million
Lease liabilities (Note 27)	**22.0**	29.1
	22.0	29.1
Total equity	**1,192.4**	1,321.6
Net debt-to-capital ratio	**1.8%**	2.2%

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.4 Fair value estimation

(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: fair values 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: fair values measured using valuation techniques in which any significant input is not based on observable market data.

	Level 1 HK$ million	Level 2 HK$ million	Level 3 HK$ million	Total HK$ million
As at 31 December 2023				
Assets				
Financial assets at FVOCI:				
– Unlisted equity investments	–	–*	–	–*
Financial assets at FVPL:				
– Listed equity investments	32.5	–	–	32.5
– Listed debt investments	0.2	–	–	0.2
– Unlisted funds	–	2.8	–	2.8
	32.7	2.8	–	35.5
Liabilities				
Derivative financial instrument:				
– Gold future contracts	0.6	–	–	0.6
– Paper precious metals	0.9	–	–	0.9
	1.5	–	–	1.5

* Amount less than HK$10,000

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.4 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 31 December 2022				
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 instrument				
– Paper precious metals	4.6	–	–	4.6
	4.6	–	–	4.6

During the years ended 31 December 2023 and 2022, there were no transfers between instruments in level 1 and level 2. During the year ended 31 December 2022, the Group transferred a listed equity investment measured at FVPL from level 3 to level 1 as the shares have resumed trading in active market during the year ended 31 December 2022, and the market value as at 31 December 2022 was observable. Other than disclosed, there were no changes in valuation techniques during the year.

* Amount less than HK$10,000

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.4 Fair value estimation *(Continued)*

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

(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 on the Main Board of the Stock Exchange of Hong Kong Limited and the Singapore Exchange Securities Trading Limited. In this respect, the Group's investments are classified as financial assets at FVPL.

(b) Financial instruments in level 2

The equity interest in 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 (2022: Same).

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.

The unlisted debt investments, unlisted equity-linked securities and unlisted funds are classified as financial assets at FVPL. The fair value are determined based on quoted market prices provided by banks.

(c) Financial instruments in level 3

As there was 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 judgment, 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 31 December 2023 and 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 31 December 2023 and 2022, due to their short maturities.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group's management makes assumptions, estimates and judgements in the process of applying the Group's accounting policies that affect the assets, liabilities, income and expenses in the consolidated financial statements prepared in accordance with HKFRS. The assumptions, estimates and judgements are based on historical experience and other factors that are believed to be reasonable under the circumstances. While the management reviews their judgements, estimates and assumptions continuously, the actual results will seldom equal to the estimates.

Estimates and judgements are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical Accounting Estimates

(a) Impairment losses of non-current assets

Property, plant and equipment and other non-financial assets, including exploration and evaluation assets, are reviewed for possible impairments whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Determination as to whether and how much an asset is impaired involves management estimates and judgements. However, the impairment reviews and calculations are based on assumptions that are consistent with the Group's business plans. Favourable changes to some assumptions may allow the Group to avoid the need to impair any assets in these years, whereas unfavourable changes may cause the assets to become impaired.

The Group relied on experts to assess the geological prospects for the discovery of oil in the oilfield and estimated the value of oil to be produced in the future at a suitable discount rate in order to calculate the present value. For drilling costs and other exploration and evaluation assets, the Group determined whether the related well costs are expensed if it is determined that such economic viability is not attained after performing further feasibility studies. Judgement is required by the board of directors of the Company to determine key assumptions adopted in the cash flow projections and changes to key assumptions can significantly affect these cash flow projections and therefore the results of the impairment reviews.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

Critical Accounting Estimates *(Continued)*

(b) Estimated production volume and dismantlement costs for oil property

Estimates of future production volumes are key elements in the Group's investment decision-making process. They are also an important element in testing for impairment. Changes in total proved oil future production volumes will affect unit-of-production depreciation recorded in the Group's consolidated financial statements for property, plant and equipment related to oil production activities. A reduction in proved future production volumes will increase depreciation charges. Future production volume estimates are subject to revision, either upward or downward, based on new information, such as from development drilling and production activities or from changes in economic factors, including product prices, contract terms or development plans.

Dismantlement costs for oil properties are estimated with reference to engineering estimates after taking into consideration the anticipated method of dismantlement required in accordance with industry practices in similar geographic area, including estimation of economic life of oil properties, technology and price level. The ultimate dismantlement costs are uncertain and cost estimates can be varied in response to many factors including changes to relevant legal requirements, the emergence of new restoration technique or experience at other production sites. The expected timing and amount of expenditure can also change, for example, in response to changes in reserves or changes in laws and regulations or their interpretation. As a result, there could be significant adjustments to the provision established which would affect future financial results.

(c) Estimated valuation of investment property

At the end of the reporting period, investment properties are stated at fair value based on the valuation performed by the independent professional valuer. In determining the fair value, the valuer have based on a method of valuation which involves certain estimates. In relying on the valuation report, the management has exercised their judgement and is satisfied that the assumptions used in valuation have reflected the current market conditions. Changes to these assumptions would result in changes in the fair value of the investment properties of the Group and the corresponding adjustments to the amount of fair value gain and loss reported in profit or loss.

5 REVENUE AND SEGMENT REPORTING

Accounting Policy

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company that makes strategic decisions.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

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

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

- Upstream: This segment is engaged in the exploration, development, production and sale of oil and gas. Currently the Group's activities in this segment are carried out in Canada and Argentina.
- General and commodities refinery and trading: This segment includes refinery and trading of precious metals and petroleum-related products.

Segment results represents the profit or loss resulted from each segment without allocation of share of losses of joint ventures, gain on bargain purchase, unallocated interest income and expenses and other corporate expenses. Segment assets include all the assets with the exception of investments in joint ventures, financial assets at FVOCI and unallocated corporate assets. Segment liabilities include all the liabilities with the exception of deferred tax liabilities and unallocated corporate liabilities. This is the measure reported to the Group's chief executive decision maker for the purposes of resource allocation and performance assessment.

Capital expenditure comprises addition to exploration and evaluation assets and property, plant and equipment for the years ended 31 December 2023 and 2022.

5 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 year is set out below:

	Upstream		General and commodities refinery and trading		Total	
	2023 HK$ million	2022 HK$ million	**2023 HK$ million**	2022 HK$ million	**2023 HK$ million**	2022 HK$ million
Reportable segment revenue (Note (i))	**533.3**	1,002.5	**25,616.9**	19,910.7	**26,150.2**	20,913.2
Reportable segment results	**(264.6)**	309.2	**21.8**	3.9	**(242.8)**	313.1
Reportable segment adjusted earnings before interests, taxes, depreciation and amortisation ("**EBITDA**") (Restated) (Note (ii))	**64.9**	460.1	**26.8**	6.3	**91.7**	466.4
Depreciation and amortisation	**(170.6)**	(129.3)	**(4.9)**	(2.5)	**(175.5)**	(131.8)
Asset impairment loss	**(119.9)**	–	**–**	–	**(119.9)**	–
Gains on derivative financial instruments	**–**	–	**0.4**	1.0	**0.4**	1.0
Fair value losses on gold investment	**–**	–	**–**	(1.0)	**–**	(1.0)
Interest income	**15.1**	5.6	**0.3**	0.5	**15.4**	6.1
Interest expenses	**(54.1)**	(27.2)	**(0.4)**	(0.4)	**(54.5)**	(27.6)
Capital expenditure	**45.0**	197.3	**23.1**	3.8	**68.1**	201.1
Reportable segment assets	**872.8**	1,531.4	**372.2**	331.9	**1,245.0**	1,863.3
Reportable segment liabilities	**(417.7)**	(685.5)	**(13.7)**	(40.7)	**(431.4)**	(726.2)

Notes:

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

(ii) In prior year, the internal reporting provided to the chief operating decision-maker did not include the analysis of reportable segment adjusted EBITDA. In the current year, this information is included in the internal reporting. The prior year comparatives are therefore restated.

Adjusted EBITDA is derived from profit before tax, excluding interests, adding back depreciation, amortisation and assets impairment losses.

Following the designation of certain property, plant and equipment to investment property during the current year, the corresponding property, plant and equipment which was included in the reportable segment assets in the prior year has been included as unallocated corporate assets in the current year.

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

	2023 HK$ million	2022 HK$ million
Results		
Reportable segment results	**(242.8)**	313.1
Unallocated interest income	**10.3**	1.6
Unallocated interest expenses	**(0.1)**	(0.2)
Unallocated other income and net gains and losses	**116.4**	–
Other corporate expenses	**(22.5)**	(37.5)
Share of losses of joint ventures	**–***	–*
Unallocated net investment (loss)/income	**(20.9)**	23.7
(Loss)/profit before taxation	**(159.6)**	300.7

* Amount less than HK$10,000

5 REVENUE AND SEGMENT REPORTING *(Continued)*

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

	2023 HK$ million	2022 HK$ million
Assets		
Reportable segment assets	**1,245.0**	1,765.3
Investments in joint ventures	**0.9**	0.9
Financial assets at FVOCI	**–***	–*
Unallocated corporate assets:		
– Investment property	**218.5**	–
– Property, plant and equipment	**2.1**	98.0
– Cash and bank balances	**198.7**	240.9
– Financial assets at FVPL	**32.7**	54.3
– Other receivables	**2.8**	3.0
– Others	**–**	3.0
Consolidated total assets	**1,700.7**	2,165.4

	2023 HK$ million	2022 HK$ million
Liabilities		
Reportable segment liabilities	**431.4**	726.2
Deferred tax liabilities	**23.7**	59.8
Unallocated corporate liabilities:		
– Deposit received	**45.0**	45.0
– Unallocated lease liabilities	**1.0**	2.9
– Others	**7.2**	9.9
Consolidated total liabilities	**508.3**	843.8

* Amount less than HK$10,000

5 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.

	Revenues from external customers		**Specified non-current assets**	
	2023 HK$ million	2022 HK$ million	**2023 HK$ million**	2022 HK$ million
Hong Kong	**25,616.9**	19,910.7	**30.3**	29.6
Canada	**475.8**	900.8	**609.7**	872.5
Argentina	**57.5**	101.7	**32.4**	78.1
	26,150.2	20,913.2	**672.4**	980.2

(iv) Disaggregation of revenue

Accounting Policy

(i) Sale of goods – sales of precious metals, oil, gas and petroleum-related products

The Group sells a range of commodities and products including precious metals, oil, gas and petroleum products under the general and commodities refinery and trading segment and upstream segment. Sales are recognised when control of the products has transferred, being when the products are delivered to customers, the customers have accepted the products, the collection of the related consideration is probable and there is no unfilled obligation that could affect the customers' acceptance of the products. It is generally satisfied at a point in time when the legal title has passed to customers.

The determination of whether revenue should be reported on a gross or net basis is based on an assessment of whether the Group is acting as the principal or an agent in the transactions. For the sales of precious metals, in determining whether the Group acts as the principal or an agent, the Group follows the accounting guidance for principal-agent considerations in HKFRS 15. Such determination involves judgement and is based on an evaluation of the terms and the substance in the precious metals trading arrangement as follows:

5 REVENUE AND SEGMENT REPORTING *(Continued)*

(iv) Disaggregation of revenue (Continued)

Accounting Policy *(Continued)*

(i) Sale of goods – sales of precious metals, oil, gas and petroleum-related products *(Continued)*

The Group has engaged a sales agent to conduct and handle the precious metals trading on behalf of the Group and entered an agency agreement with the sales agent during the year. In determination of whether revenue of sales of precious metals should be recognised on a gross or net basis, while none of the factors individually are considered presumptive or determinative, the Group is the principal in the precious metals trading arrangement as it controls the precious metals products before the products are transferred to customers, because (i) the Group is primarily responsible for delivering the specified precious metals products to customers. The Group has its discretion to trade with particular suppliers and customers proposed by the sales agent. The Group obtains the control of the precious metals products and has the discretion to direct the sales agent to deliver the precious metals products to customers on behalf of the Group; (ii) the Group is subject to inventory risk including but not limited to purity and quality issues which cannot be compensated by the sales agent or other counterparties; and (iii) the Group has the discretion to approve the range of selling price, which represented the spot market price plus or minus the premium and discount, proposed by the sales agent charged to customers. Therefore the Group recognised the revenue on a gross basis.

(ii) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

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

	2023 HK$ million	2022 HK$ million
Revenue from contracts with customers		
– Refinery and sales of precious metals under general and commodities trading	**25,616.9**	19,910.7
– Sales of oil and gas products under oil and gas exploration and production	**533.3**	1,002.5
	26,150.2	20,913.2

Revenue from major customers who have individually contributed 10% or more of the total revenue of the Group for the year ended 31 December 2023 and 2022 are disclosed as follows:

	2023 HK$ million	2022 HK$ million
Customer 1	**3,718.7**	1,198.0
Customer 2	**3,066.7**	2,724.3
Customer 3	**2,648.0**	3,895.6
Customer 4	**2,641.9**	1,139.7

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

6 OTHER INCOME AND NET GAINS AND LOSSES

Accounting Policy

(i) Interest income

Interest income on financial assets at FVPL is included in "net investment income/(loss)" on these assets.

Interest income on financial assets at amortised cost calculated using the effective interest method is recognised in the consolidated statement of profit or loss as part of finance income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

(ii) Drilling service income

The Group recognises revenue in the consolidated statement of profit or loss upon completion of the services.

	2023	2022
	HK$ million	HK$ million
Bank interest income	**25.7**	7.6
Drilling service income	**1.1**	1.5
(Losses)/gains on derivative financial instruments	**(0.4)**	1.0
Fair value losses on gold investment	**–**	(0.9)
Fair value gains on investment property	**116.4**	–
Hyperinflation monetary adjustments (Note)	**(1.0)**	19.3
Net foreign exchange losses	**(4.5)**	(27.4)
Trading revenue	**0.6**	2.0
Rental income	**18.1**	6.9
Loss on disposal of property, plant and equipment	**(0.5)**	–
Others	**5.6**	3.0
	161.1	13.0

6 OTHER INCOME AND NET GAINS AND LOSSES *(Continued)*

Note:

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

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

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

Current year hyperinflation monetary adjustment for the change in price index amounting to a loss of HK$1.0 million (2022: a gain of HK$19.3 million) was recognised in the consolidated statement of profit or loss.

7 NET INVESTMENT INCOME/(LOSS)

	2023 HK$ million	2022 HK$ million
Net (loss)/income in listed equity securities (Note 24)	**(21.2)**	23.7
Net income in listed and unlisted debt securities	**0.3**	0.1
Others	**–**	1.2
	(20.9)	25.0

8 EXPENSES BY NATURE

Cost of sales and general administrative expenses are analysed as follows:

	2023 HK$ million	2022 HK$ million
Cost of inventories recognised as expense	**25,944.0**	20,321.7
Processing charges	**9.4**	7.3
Depreciation of property, plant and equipment (Note 16)	**177.8**	132.6
Employee benefit expenses (including directors' remuneration) (Note 9)	**94.6**	102.6
Auditor's remuneration		
– Audit services	**3.8**	3.3
– Non-audit services	**0.4**	0.7
Legal, professional and transaction-related expenses	**14.6**	21.4
Assets impairment losses	**119.9**	–
Others	**30.9**	33.0
Total cost of sales and general and administrative expenses	**26,395.4**	20,622.6

9 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' REMUNERATION)

	2023 HK$ million	2022 HK$ million
Salaries, wages and other benefits	**89.2**	97.1
Contributions to defined contribution retirement plan	**5.4**	5.5
	94.6	102.6

During the year ended 31 December 2023, no forfeited contributions were utilised by the Group to reduce its contributions for the current year (2022: Nil).

Five highest paid individuals

Of the five individuals with the highest emoluments, two (2022: two) are directors whose emoluments are disclosed in Note 10. During the year ended 31 December 2023, the aggregate of the emoluments in respect of the other three individuals (2022: three) were as follow:

	2023 HK$ million	2022 HK$ million
Salaries, allowances and benefits in kind	**3.4**	4.0
Discretionary bonuses	**0.3**	0.2
Retirement scheme contributions	**0.2**	0.1
Inducement fee to join or upon joining the Group	**–**	–
	3.9	4.3

No emoluments were paid by the Group to these individuals as an inducement to join or upon joining the Group, or as compensation for loss of office.

The emoluments of this highest paid individuals fall within the following band:

	2023 Number of individuals	2022 Number of individuals
HK$1,000,001 – HK$1,500,000	**3**	3

10 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND LISTING RULES)

(a) Directors' remuneration

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	2023						
	Directors' fees HK$ million	Salaries, allowances and benefits in kind HK$ million	Discretionary bonuses HK$ million	Employer's contribution to a retirement benefit scheme HK$ million	Sub-total HK$ million	Share-based payments HK$ million	Total HK$ million
Chairman							
Mr. CHENG, Kam Chiu Stewart	–	2.6	0.5	–	3.1	–	3.1
Executive director							
Mr. TANG, John Wing Yan *(Chief Executive Officer)*	–	3.2	0.8	–	4.0	–	4.0
Non-executive director							
Mr. LEE, Chi Hin Jacob	0.5	–	–	–	0.5	–	0.5
Independent non-executive directors							
Mr. CHIU, Wai On	0.3	–	–	–	0.3	–	0.3
Mr. YUNG, Chun Fai Dickie	0.3	–	–	–	0.3	–	0.3
Mr. Huang, Victor	0.3	–	–	–	0.3	–	0.3
	1.4	5.8	1.3	–	8.5	–	8.5

10 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND LISTING RULES) *(Continued)*

(a) Directors' remuneration *(Continued)*

	2022						
	Directors' fees HK$ million	Salaries, allowances and benefits in kind HK$ million	Discretionary bonuses HK$ million	Employer's contribution to a retirement benefit scheme HK$ million	Sub-total HK$ million	Share-based payments HK$ million	Total HK$ million
Chairman							
Mr. CHENG, Kam Chiu Stewart	–	2.4	2.0	–	4.4	3.8	8.2
Executive director							
Mr. TANG, John Wing Yan *(Chief Executive Officer)*	–	3.0	2.7	–	5.7	3.8	9.5
Non-executive director							
Mr. LEE, Chi Hin Jacob	0.5	–	0.1	–	0.6	0.5	1.1
Independent non-executive directors							
Mr. CHIU, Wai On	0.2	–	–	–	0.2	0.6	0.8
Mr. YUNG, Chun Fai Dickie	0.2	–	–	–	0.2	0.6	0.8
Mr. Huang, Victor	0.2	–	–	–	0.2	0.6	0.8
	1.1	5.4	4.8	–	11.3	9.9	21.2

No directors of the Company waived any emoluments and no emoluments were paid by the Group to any of the directors of the Company as an accepting office as director or as a compensation for loss of office as director (2022: Nil).

(b) Directors' retirement benefits

No retirement benefits were paid to or receivable by any directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiary undertaking (2022: Nil).

(c) Directors' termination benefits

No payment was made to directors as compensation for the early termination of the appointment during the year (2022: Nil).

(d) Consideration provided to third parties for making available directors' services

No payment was made to the third parties for making available the services of them as a director of the Company (2022: Nil).

10 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND LISTING RULES) *(Continued)*

(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

There are no loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors during the year (2022: Nil).

(f) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2022: Nil).

11 FINANCE COSTS

	2023 **HK$ million**	2022 HK$ million
Interest on borrowings	**–**	–
Interest on lease liabilities	**0.6**	1.6
Imputed interest on provisions (Note 30)	**54.0**	26.2
	54.6	27.8

12 INCOME TAX

Accounting Policy

The income tax expense for the period comprises current and deferred tax. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Group and its joint ventures operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

12 INCOME TAX *(Continued)*

	2023 **HK$ million**	2022 HK$ million
Current tax		
Provision for the year	**2.6**	–
Overprovision in prior year	**–**	(1.0)
	2.6	(1.0)
Deferred tax		
(Credited)/charged to the profit or loss (Note 28)	**(11.7)**	15.8
	(9.1)	14.8

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

Hong Kong profits tax has been provided for at the rate of 16.5% for the year ended 31 December 2023 (2022: 16.5%) on the estimated assessable profit for the year. No provision for Hong Kong profits tax has been made for the year ended 31 December 2023 as the Group's operations in Hong Kong had no assessable profits.

Subsidiaries of the Group in Argentina are subject to Argentina corporate income tax ("**AIT**") at 35% (2022: 35%) and minimum presumed income tax ("**MPIT**"). 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%).

12 INCOME TAX *(Continued)*

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

The tax on the Group's profit before taxation differs from the theoretical amount that would arise using the enacted tax rate of the Group's subsidiaries as follows:

	2023 HK$ million	2022 HK$ million
(Loss)/profit before taxation	**(159.6)**	300.7
Notional tax on (loss)/profit before taxation, calculated at the rates applicable to (loss)/profit in the jurisdictions concerned	**(44.2)**	82.2
Tax effect of non-taxable income	**(37.2)**	(10.2)
Tax effect of non-deductible expenses	**48.7**	18.8
Tax effect of hyperinflation impact	**(0.2)**	7.2
Tax effect of utilisation of tax losses previously not recognised as deferred tax assets	**–**	(78.8)
Tax effect of tax losses and temporary differences not recognised	**23.8**	(7.3)
Over-provision in respect of prior years	**–**	(1.1)
Tax effect on change in tax rate (Note)	**–**	4.0
Income tax (credit)/expense	**(9.1)**	14.8

Note:

The tax rate of AIT increased from 30% to 35% for the year ended 31 December 2021 onwards.

13 DIVIDEND

Accounting Policy

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

The board of directors of the Company does not recommend the payment of any final dividend for the year ended 31 December 2023 (2022: Nil).

14 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the Group's loss attributable to owners of the Company of HK$150.5 million (2022: profit attributable to owners of the Company of HK$285.9 million) and weighted average number of ordinary shares in issue during the year of approximately 8,766.0 million shares (2022: 8,780.8 million shares).

(b) Diluted earnings per share

For the years ended 31 December 2023 and 2022, basic and diluted earnings per share were the same as there were no potentially dilutive ordinary shares in issue during the year.

15 EXPLORATION AND EVALUATION ASSETS

Accounting Policy

Oil and gas exploration and evaluation expenditures are accounted for using the successful efforts method of accounting. Costs are accumulated on a field-by-field basis. Subsequent to initial recognition, exploration and evaluation assets are carried at cost less any accumulated impairment losses, no depreciation and/or amortisation is charged during the exploration and evaluation phase. Costs directly associated with an exploration well, and exploration and property leasehold acquisition costs, are capitalised within exploration and evaluation assets until the determination of reserves is evaluated. If it is determined that commercial discovery has not been achieved, these costs are charged to expense.

Once commercial reserves are found, exploration and evaluation assets are tested for impairment and reclassified to property, plant and equipment. No depreciation and depletion is charged during the exploration and evaluation phase.

Exploration and evaluation assets are tested for impairment when reclassified to oil and gas production assets, or whenever facts and circumstances indicate impairment. An impairment loss is recognised for the amount by which the exploration and evaluation assets' carrying amount exceeds their recoverable amount. The recoverable amount is the higher of the exploration and evaluation assets' fair value less costs of disposal and their value in use.

15 EXPLORATION AND EVALUATION ASSETS *(Continued)*

	Exploration rights (Note (a)) HK$ million	Exploratory drilling (Notes (a)) HK$ million	Geological studies HK$ million	Others HK$ million	Total HK$ million
At 1 January 2022, 31 December 2022 and 1 January 2023					
Cost	3,225.3	24.9	118.6	31.3	3,400.1
Accumulated impairment	(3,225.3)	(24.9)	(118.6)	(31.3)	(3,400.1)
	–	–	–	–	–
Year ended 31 December 2023					
At 1 January 2023	–	–	–	–	–
Additions (Note (b))	8.0	–	–	–	8.0
Transfers	–	–	–	–	–
Hyperinflation adjustments	–	–	–	–	–
Exchange difference	0.4	–	–	–	0.4
At 31 December 2023	8.4	–	–	–	8.4
At 31 December 2023					
Cost	3,233.7	24.9	118.6	31.3	3,408.5
Accumulated impairment	(3,225.3)	(24.9)	(118.6)	(31.3)	(3,400.1)
	8.4	–	–	–	8.4

Notes:

(a) The total costs of exploration rights and exploratory drilling amounting to approximately HK$3,225.3 million (2022: HK$3,225.3 million) and HK$24.9 million (2022: HK$24.9 million) as at 31 December 2023 represented the Group's 69.25% (2022: 69.25%) interest in the Tartagal concession and Morillo concession (collectively the "**T&M Concessions**") which are the concessions in the province of Salta in Northern Argentina, through an Union of Temporary Enterprise ("**T&M UTE**"). Exploration permits were granted for oil and developments of hydrocarbons in the T&M Concessions for an initial period of four years starting from 29 December 2006 and additional extensions up to an aggregate of nine years may be obtained. The Group submitted applications to the Secretary of Energy of Province of Salta, Argentina ("**Salta SOE**") for extensions of the exploration permits and obtained the approvals in July 2010, July 2011, December 2013, March 2016 and March 2018, respectively. Pursuant to the approval document issued in March 2018, the exploration permits were extended to 13 September 2019. If successful hydrocarbon discoveries are made, the exploration permits could be converted to exploitation permits for a term of 25 years with a possible extension of 10 years.

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

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

There was no significant update on the appeal in respect of the revocation of the Resolutions during the years ended 31 December 2023 and 2022.

(b) As at 31 December 2023, the Group acquired a 100% working interest in all petroleum and natural gas rights underlying certain lands located in the highly prospective Gold Creek Montney fairway in the Province of Alberta, Canada. The rights were acquired from the Alberta Crown at a cost of approximately HK$8.0 million. The acquired rights have a primary term of 4 years which can be extended for an additional 5 years subject to satisfaction of certain conditions.

16 PROPERTY, PLANT AND EQUIPMENT

Accounting Policy

Property, plant and equipment comprise mainly leasehold improvements, machinery, fixtures and office equipment, motor vehicles, oil and gas production assets and right-of-use assets. All other property, plant and equipment are stated at historical cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are expensed in the consolidated statement of profit or loss during the year in which they are incurred. Except for oil and gas production assets, depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Machinery	5-10 years
Others	3-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each date of the statement of financial position. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within "other income and net gains and losses" in the consolidated statement of profit or loss.

Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of commercially proven development wells, is capitalised within construction in progress under property, plant and equipment. When development is completed on a specific field, it is transferred to oil and gas production assets under property, plant and equipment. No depreciation is charged during the development phase.

Oil and gas properties are aggregated exploration and evaluation assets (refer to Note 15) and development expenditures associated with the production of proved reserves.

Oil and gas production assets are depreciated using the unit-of-production method. Unit-of-production rates are based on total proved reserves, which are crude oil reserves estimated to be recovered using current operating methods.

Proven oil and gas production assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

16 PROPERTY, PLANT AND EQUIPMENT *(Continued)*

	Machinery	Oil and gas production assets	Others (Note (a))	Right-of-use assets	Total
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
At 1 January 2022					
Cost	46.8	974.9	4.6	42.1	1,068.4
Accumulated depreciation and impairment	(18.4)	(183.9)	(4.4)	(16.1)	(222.8)
	28.4	791.0	0.2	26.0	845.6
Year ended 31 December 2022					
At 1 January 2022	28.4	791.0	0.2	26.0	845.6
Additions	–	195.6	1.3	7.9	204.8
Disposals	–	(0.2)	–	–	(0.2)
Depreciation	(4.5)	(121.2)	(0.1)	(6.8)	(132.6)
Increase/(reduction) in provision for estimated dismantlement costs (Note 30)	–	101.2	–	–	101.2
Lease modification	–	–	–	(0.1)	(0.1)
Hyperinflation adjustments	14.3	21.3	–	–	35.6
Exchange differences	(11.9)	(79.6)	–	(1.1)	(92.6)
At 31 December 2022	26.3	908.1	1.4	25.9	961.7
At 31 December 2022					
Cost	53.2	1,216.4	6.3	48.1	1,324.0
Accumulated depreciation and impairment	(26.9)	(308.3)	(4.9)	(22.2)	(362.3)
	26.3	908.1	1.4	25.9	961.7
Year ended 31 December 2023					
At 1 January 2023	**26.3**	**908.1**	**1.4**	**25.9**	**961.7**
Additions	**8.9**	**45.0**	**14.5**	**1.1**	**69.5**
Disposals	**–**	**(0.5)**	**–**	**–**	**(0.5)**
Depreciation	**(2.0)**	**(166.3)**	**(2.6)**	**(6.9)**	**(177.8)**
Impairment	**–**	**(119.9)**	**–**	**–**	**(119.9)**
Reduction in provision for estimated dismantlement costs (Note 30)	**–**	**(226.8)**	**–**	**–**	**(226.8)**
Transfer to investment property (Note 18)	**–**	**(100.7)**	**–**	**–**	**(100.7)**
Lease modification	**–**	**–**	**–**	**(0.2)**	**(0.2)**
Hyperinflation adjustments	**12.1**	**49.4**	**–**	**–**	**61.5**
Exchange differences	**(20.6)**	**(28.3)**	**(0.1)**	**0.2**	**(48.8)**
At 31 December 2023	**24.7**	**360.0**	**13.2**	**20.1**	**418.0**
At 31 December 2023					
Cost	**44.7**	**934.3**	**19.4**	**49.7**	**1,048.1**
Accumulated depreciation and impairment	**(20.0)**	**(574.3)**	**(6.2)**	**(29.6)**	**(630.1)**
	24.7	**360.0**	**13.2**	**20.1**	**418.0**

16 PROPERTY, PLANT AND EQUIPMENT *(Continued)*

Notes:

(a) Others mainly represented furniture, fixtures and office equipment, and motor vehicles.

(b) Due to the volatile commodity price and the potential adverse impact on the performance of upstream business, the Group conducted the impairment assessment for its oil and gas properties, which mainly included "machinery" and "oil and gas production assets" of property, plant and equipment totalled of HK$376.0 million as at 31 December 2023 (2022: HK$934.3 million).

The recoverable amounts of oil and gas properties are determined using fair value less costs of disposal. The calculation used discounted cash flow model based on financial forecasts prepared by management and covered the expected life of the oil and gas fields. The key assumptions used in the value-in-use calculations included estimated future commodity prices, estimated future production volume, estimated future production costs, estimated future capital expenditure and discount rates. Estimated future commodity prices are compiled based on forecasted prices. Estimated future production volumes, future production costs, and future capital expenditure are estimated based on the approved production profiles and relevant budgets. Based on the assessment, an impairment loss of HK$119.9 million is recorded as at 31 December 2023 (2022: Nil).

17 INTANGIBLE ASSETS

Accounting Policy

Cryptocurrencies mined and held by the Group through third-party custodian service provider include Bitcoins, which is accounted for as intangible assets under the cost model.

The Group has ownership of and control over the cryptocurrencies held and employs third-party custodian service provider to securely store them. The cryptocurrencies held by the Group are considered to have an indefinite life. Accordingly, they are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Cryptocurrencies that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. The increased carrying amount of cryptocurrencies attributable to a reversal of an impairment loss, will not exceed the carrying amount that would have been determined had no impairment loss been recognised for the cryptocurrencies in prior accounting periods.

17 INTANGIBLE ASSETS *(Continued)*

	Cryptocurrencies HK$ million
At 1 January 2023	
Cost	–
Accumulated amortisation and impairment	–
	–
Year ended 31 December 2023	
At 1 January 2023	–
Additions	2.4
Amortisation	–
Exchange differences	–
Impairment loss (Note (a))	–
At 31 December 2023	2.4
At 31 December 2023	
Cost	2.4
Accumulated amortisation and impairment	–
	2.4

Note:

(a) Impairment test for cryptocurrencies

Cryptocurrencies mined and held by the Group have been assessed based on each type of cryptocurrencies for impairment testing. The Group carries out their impairment testing by comparing the recoverable amounts of cryptocurrencies to their carrying amounts. An impairment loss will be recognised when the recoverable amount is lower than the carrying amount, while a gain will not be recognised even when the recoverable amount is higher than the carrying amount. A gain will only be recognised if the cryptocurrency is disposed of, assuming the proceeds from disposal at that time is higher than its carrying amount.

The recoverable amount of cryptocurrencies are determined based on fair value less costs of disposal. In determining the fair values, the relevant available markets are identified by the Group, and the Group consider accessibility to, and activity within those markets in order to identify the principal cryptocurrency markets for the Group. The fair value of Bitcoins traded in active markets (such as trading and exchange platforms) is determined based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange and those prices represent actual and regularly occurring market transactions on an arm's length basis. Therefore, the fair value used for assessment of recoverable amount in impairment tests is determined as quoted prices (unadjusted) in active markets for Bitcoins (Level 1).

As of 31 December 2023, the Group carried out impairment tests for Bitcoins. Based on these impairment tests, the recoverable amounts of Bitcoins was higher than their carrying amounts, therefore nil impairment loss was recognised in profit or loss by the Group for the year ended 31 December 2023.

18 INVESTMENT PROPERTY

Accounting Policy

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.

	HK$ million
At 31 December 2022	–
Transfer from property, plant and equipment	100.7
Fair value gain on revaluation	116.4
Exchange differences	1.4
At 31 December 2023	218.5

The above investment properties, which are situated in Canada, are measured at fair value and a gain or loss arising from a change in the fair value of investment properties shall be recognised in profit or loss for the period in which it arises.

18 INVESTMENT PROPERTY *(Continued)*

(a) Valuation process of the Group

The Gorup's investment properties were valued as at 30 June 2023 by an independent professionally qualified valuer, Cunningham & Rivard Appraisals, who holds a recognised relevant professional qualification and has recent experience in the locations and segments of the investment property valued.

The recurring fair value measurement for investment properties are included in level 3 of the fair value hierarchy. The Group's policy is to recognise transfer into and transfer out of the fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfer between 1, 2 and 3 during the year.

(b) Valuation techniques

The valuation of investment properties were determined using the direct comparison method (Level 3 approach) by making reference to comparable market transactions of similar properties. For the properties value based on the direct comparison method, the most significant input into the valuation approach is the unit sale price, taking into account the differences in transaction time, location and size etc. between the comparable and the properties, which amounted to HK$0.2 million per acre on a saleable area basis. An increase in the unit sale price adopted would result in an increase in the fair value measurement of the investment properties by the same magnitude, and vice versa.

19 INVESTMENTS IN SUBSIDIARIES

Details of the Company's subsidiaries as at 31 December 2023 are as follows:

Name of company	Place of establishment/ incorporation and business	Particulars of issued and paid up capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by the subsidiaries	
Total Belief Limited	BVI	1 ordinary share of US$1 each	100%	100%	–	Investment holding
Jade Honest Limited	BVI	2,700 ordinary shares of US$1 each	100%	100%	–	Dormant
Absolute Champ Limited	Hong Kong	1 ordinary share at HK$1 each	100%	–	100%	Investment holding
AC Precious Metals Refinery Limited	Hong Kong	1,000,000 ordinary share of HK$1 each	100%	–	100%	Trading and Refinery of precious metals
Ace Diamond Trading Limited	BVI	100 ordinary shares at US$1 each	100%	–	100%	Investment holding
Big Trade Investments Limited	BVI	1 ordinary share at US$1 each	100%	–	100%	Investment holding
Bright Rise Group Limited	BVI	1 ordinary share at US$1 each	100%	–	100%	Investment holding
Cheer Profit Group Limited	BVI	1 ordinary share at US$1 each	100%	–	100%	Investment holding
Discovery Operating LLC	USA	Nil paid	100%	–	100%	Dormant
ET-LA, LLC	USA	Registered capital of US$500	100%	–	100%	Investment holding
First Continent Holdings Limited	BVI	100 ordinary shares of US$1 each	100%	–	100%	Investment holding
First Apex Global Limited	BVI	100 ordinary shares of US$1 each	100%	–	100%	Investment holding
Giant Perfect Holdings Limited	BVI	100 ordinary shares of US$1 each	100%	–	100%	Investment holding
Grand Rich Trading Limited	BVI	1 ordinary share of US$1 each	100%	–	100%	Investment holding
Happy Light Group Limited	BVI	1 ordinary share of US$1 each	100%	–	100%	Investment holding
High Luck Holding (Hong Kong) Limited	Hong Kong	1 ordinary share of HK$1 each	100%	–	100%	Investment holding
High Luck Group Limited	BVI	100 ordinary shares of US$1 each	100%	–	100%	Exploration of oil and gas
Jumbo Hope Group Limited	Hong Kong	1 ordinary share of HK$1 each	100%	–	100%	Investment holding

19 INVESTMENTS IN SUBSIDIARIES *(Continued)*

Name of company	Place of establishment/ incorporation and business	Particulars of issued and paid up capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by the subsidiaries	
New Times Power Limited	BVI	1,000 ordinary shares of US$1 each	100%	–	100%	Investment holding
New Times Energy Canada Inc.	Canada	500,000 Class A common shares of C$0.01 each	100%	–	100%	Investment holding
Novastar Capital Limited	BVI	100 ordinary shares of US$1 each	100%	–	100%	Investment holding
NTE Discovery Park Limited (formerly known as 1069130 BC Limited)	Canada	100 Class A common shares of C$0.01 each	100%	–	100%	Industrial park
NTE Group (HK) Limited	Hong Kong	100 ordinary shares of HK$1 each	100%	–	100%	Investment holding
NTE Maple Holdings Limited (formerly known as 0942069 B.C. Limited)	Canada	100 ordinary shares of C$0.1 each	100%	–	100%	Investment holding
Power Jet Group Limited	BVI	1 ordinary share of US$1 each	100%	–	100%	Dormant
NTE Energy Canada Limited (formerly known as Shanghai Energy Corporation)	Canada	56,000,000 ordinary shares of C$1 each	100%	–	100%	Development and production of oil and gas
Techno Wealth Limited	BVI	1 ordinary share of US$1 each	100%	–	100%	Investment holding
New Times Energy Canada Limited (formerly known as United Oil & Resources Trading Limited)	Hong Kong	100 ordinary shares of HK$1 each	100%	–	100%	Investment holding
深圳市源協貿易有限公司	PRC*	Registered capital of US$1 million	100%	–	100%	Investment holding
新能裕（江蘇）貿易有限公司	PRC*	Registered capital of US$5 million	100%	–	100%	Trading of petroleum-related products
新能裕（海南）貿易有限公司	PRC*	Registered capital of Renminbi ("**RMB**") 3 million	100%	–	100%	Trading of petroleum-related products

* Wholly foreign owned enterprise established under the PRC law

20 INVESTMENTS IN JOINT VENTURES

Accounting Policy

(i) Joint arrangement

Under HKFRS 11 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has joint ventures only.

Investments in joint ventures are accounted for using the equity method (see Note ii below), after initially being recognised at cost in the consolidated statement of financial position.

(ii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with Note 39.7.

	2023 **HK$ million**	2022 HK$ million
Share of net assets	**0.9**	0.9

	2023 **HK$ million**	2022 HK$ million
At 1 January	**0.9**	0.9
Share of results of joint ventures	**–***	–*
	0.9	0.9

* Amount less than HK$10,000

20 INVESTMENTS IN JOINT VENTURES *(Continued)*

Details of the Group's interest in joint ventures, which are accounted for using the equity method in the consolidated financial statements, are as follows:

Name of joint ventures	Place of incorporation and business	Particulars of issued and paid up capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by a subsidiary	Principal activities
Smart Win International Limited	BVI	200 ordinary shares of US$1 each	50%	50%	Investment holding
Full Charming Limited	BVI	1 ordinary share of HK$1 each	29.9%	29.9%	Investment holding
Hong Kong Oil Development Co. Ltd.	Hong Kong	1 ordinary share of HK$1 each	29.9%	29.9%	Investment holding
盤錦遼河曙光實業有限公司*	PRC	Registered capital of RMB6 million	28.4%	28.4%	Provision of oil services

* Limited liability company established under the PRC law

None of these entities are material to the Group.

The Group's joint ventures are unlisted corporate entities whose quoted market prices are not available.

There are no contingent liabilities relating to the Group's investments in joint ventures and these entities also had no material contingent liabilities.

Aggregate information of joint ventures that are not individually material:

	2023 HK$ million	2022 HK$ million
Total assets	**7.6**	7.6
Total liabilities	**(8.2)**	(8.2)
Total losses	**–***	–*

* Amount less than HK$10,000

21 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2023 HK$ million	2022 HK$ million
Equity securities at FVOCI		
– Foothills Exploration	–*	–*

Notes:

(i) Financial assets at FVOCI comprise equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be more relevant.

(ii) During the year ended 31 December 2023, fair value loss of approximately Nil (2022: Nil) on the equity securities at FVOCI was recognised in other comprehensive income. No dividend or other income from equity securities at FVOCI was recognised in the consolidated statement of profit or loss (2022: Nil).

(iii) Information about the methods and assumptions used in determining fair value is provided in Note 3.4.

(iv) All of the financial assets at FVOCI are denominated in US$. For an analysis of the sensitivity of the assets to price risk, refers to Note 3.2(a)(ii).

22 TRADE AND OTHER RECEIVABLES

Accounting Policy

Trade receivables are amounts due from customers for goods sold and services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade and other receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

* Amount less than HK$10,000

22 TRADE AND OTHER RECEIVABLES *(Continued)*

	2023 HK$ million	2022 HK$ million
Trade receivables (Notes (b) and (c))	**52.7**	103.9
Other debtors	**13.4**	10.1
Deposits	**26.8**	38.9
Amount due from a joint venture (Note (d))	**0.6**	0.6
Financial assets measured at amortised cost	**93.5**	153.5
VAT recoverable	**0.6**	2.3
Other tax recoverable	**18.4**	19.2
Other prepayments	**5.1**	9.3
	117.6	184.3
Reconciliation to the consolidated statement of financial position:		
Non-current	**24.2**	17.6
Current	**93.4**	166.7
	117.6	184.3

Notes:

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

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

	2023 HK$ million	2022 HK$ million
0 – 30 days	**29.9**	88.1
31 – 60 days	**1.6**	0.4
61 – 90 days	**3.9**	1.5
Over 90 days	**17.3**	13.9
	52.7	103.9

22 TRADE AND OTHER RECEIVABLES *(Continued)*

Notes: (Continued)

(c) The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for trade receivables. See Note 3.2(b) for further information about expected credit loss provision.

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

(e) Trade receivables, other debtors, deposit and amount due from a joint venture were denominated in the following currencies:

	2023 HK$ million	2022 HK$ million
US$	**8.3**	0.8
ARS	**1.3**	21.2
C$	**70.6**	112.1
HK$	**13.3**	19.4
	93.5	153.5

23 INVENTORIES

Accounting Policy

Inventories comprise of precious metals held for trading, consumables and crude oil are stated at the lower of cost and net realisable value. Cost comprises invoiced cost and other direct costs, and is determined on a weighted-average cost method. Cost of purchased inventory are determined after deducting discount if applicable. Net realisable value is the estimated selling price in the ordinary course of business, less all costs to completion and all direct costs necessary to make the sale.

	2023 HK$ million	2022 HK$ million
Precious metals held for refinery and trading, at cost	**89.8**	92.1
Consumables	**13.0**	19.3
Oil products	**–***	–*
	102.8	111.4

Inventories recognised as an expense during the year ended 31 December 2023 amounted to HK$25,944.0 million (2022: HK$20,321.7 million) included in 'cost of sales' in the consolidated statement of profit or loss (Note 8).

24 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023 HK$ million	2022 HK$ million
Listed equity securities (Note (a))	**32.5**	54.3
Listed debt securities (Note (b))	**0.2**	–
Unlisted fund	**2.8**	1.6
	35.5	55.9

* Amount less than HK$10,000

24 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS *(Continued)*

Notes:

(a) The listed equity securities represent listed shares on the Stock Exchange and are stated at fair value. Net investment loss of approximately HK$21.2 million (2022: income of HK$23.7 million) has been recognised in profit or loss during the year ended 31 December 2023.

(b) During the year ended 31 December 2022, the Group had two listed debt securities that were in default as the issuers failed to repay the debts upon maturity. As at 31 December 2022, the Group determined these debt securities were of no commercial value and valued at HK$Nil.

25 CASH AND BANK BALANCES

Accounting Policy

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

	2023 **HK$ million**	2022 HK$ million
Cash at bank and on hand	**588.0**	576.0
Bank deposits with maturity less than 3 months	**195.3**	243.5
Cash and cash equivalents	**783.3**	819.5
Bank deposits with maturity more than 3 months	**13.3**	20.2
Pledge deposits	**–**	11.5
	796.6	851.2
Maximum exposure to credit risk	**796.6**	851.2

Notes:

(a) The carrying amounts of the Group's cash and bank balances are denominated in the following currencies:

	2023 **HK$ million**	2022 HK$ million
HK$	**60.5**	72.6
US$	**384.7**	384.3
RMB	**37.2**	37.5
ARS	**–***	2.4
C$	**314.2**	354.4
Others	**–***	–*
	796.6	851.2

(b) Significant restrictions

Cash and bank balances of approximately HK$36.6 million (2022: HK$37.5 million) and HK$0.4 million (2022: HK$2.4 million) are held in the Mainland China and Argentine Republic, respectively, and are subject to local exchange control regulations. These local exchange control regulations provide for certain restrictions on exporting capital from the Mainland China and Argentine Republic.

* Amount less than HK$10,000

26 TRADE AND OTHER PAYABLES

Accounting Policy

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as noncurrent liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

	2023 HK$ million	2022 HK$ million
Trade payables (Note (b))	**21.2**	21.4
Other creditors and accrued charges (Note (c))	**136.7**	188.3
Financial liabilities measured at amortised cost	**157.9**	209.7
Accrued charges	**3.9**	–
Other tax payables	**3.0**	7.2
Contract liabilities	**–***	20.1
	164.8	237.0

Notes:

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

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

	2023 HK$ million	2022 HK$ million
0 – 30 days	**7.7**	13.4
31 – 60 days	**10.8**	2.8
61 – 90 days	**2.5**	2.1
Over 90 days	**0.2**	3.1
	21.2	21.4

(c) Included in other creditors and accrued charges is a deposit of HK$45.0 million (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.

* Amount less than HK$10,000

27 LEASE LIABILITIES

Accounting Policy

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments (including in-substance fixed payments), less any lease incentives receivable.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group, where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received, and makes adjustments specific to the lease. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct cost; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Payments associated with short-term leases and all leases of low-value assets are recognised on a straightline basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

27 LEASE LIABILITIES *(Continued)*

The Group obtains right to control the use of offices for a period of time through lease arrangements. Lease arrangements are negotiated on an individual basis with lease terms from two to three years. For details of right-of-use assets, please refer to Note 16.

The following table shows the remaining contractual maturities of the Group's lease liabilities as at 31 December 2023 and 2022:

	2023		2022	
	Present value of the minimum lease payments HK$ million	**Total minimum lease payments HK$ million**	Present value of the minimum lease payments HK$ million	Total minimum lease payments HK$ million
Within 1 year	**5.7**	**6.3**	8.1	9.5
After 1 year but within 2 years	**3.6**	**4.0**	5.3	6.3
After 2 years but within 5 years	**2.1**	**2.9**	5.5	7.3
After 5 years	**10.6**	**21.2**	10.2	15.3
	22.0	**34.4**	29.1	38.4
Less: total future interest expenses		**(12.4)**		(9.3)
Present value of lease liabilities		**22.0**		29.1
Reconciliation to the consolidated statement of financial position:				
Current portion		**5.8**		8.1
Non-current portion		**16.2**		21.0
		22.0		29.1

As at 31 December 2023 and 2022, there were no significant short-term leases, low-value leases nor leases committed but not yet commenced.

28 DEFERRED TAX LIABILITIES

Accounting Policy

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the date of the statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred income tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. the net amounts are as follows:

	2023 **HK$ million**	2022 HK$ million
Deferred tax assets	**4.0**	4.3
Deferred tax liabilities	**(27.7)**	(64.1)
Deferred tax liabilities, net	**(23.7)**	(59.8)

The movement in net deferred tax liabilities is as follows:

	2023 **HK$ million**	2022 HK$ million
At 1 January	**(59.8)**	(46.2)
Charged to profit or loss (Note 12)	**11.7**	(15.8)
Hyperinflation adjustments	**24.4**	2.2
At 31 December	**(23.7)**	(59.8)

28 DEFERRED TAX LIABILITIES *(Continued)*

The movements in deferred tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year are as follows:

Deferred tax assets	Provisions		Loans		Others		Total	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
	HK$ million	HK$ million	**HK$ million**	HK$ million	**HK$ million**	HK$ million	**HK$ million**	HK$ million
At 1 January	**4.3**	4.2	**–**	3.6	**–**	–	**4.3**	7.8
Credited/(charged) to profit or loss	**1.0**	1.9	**–**	(2.1)	**–**	–	**1.0**	(0.2)
Hyperinflation adjustments	**(1.3)**	(1.8)	**–**	(1.5)	**–**	–	**(1.3)**	(3.3)
At 31 December	**4.0**	4.3	**–**	–	**–**	–	**4.0**	4.3

Deferred tax liabilities	Exploration and evaluation assets		Property, plant and equipment		Fair value adjustment		Others		Total	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
	HK$ million	HK$ million	**HK$ million**	HK$ million	**HK$ million**	HK$ million	**HK$ million**	HK$ million	**HK$ million**	HK$ million
At 1 January	**–**	–	**32.2**	36.4	**12.6**	12.6	**19.3**	5.0	**64.1**	54.0
Charged/(credited) to profit or loss	**–**	–	**(11.7)**	(0.1)	**3.0**	–	**(2.0)**	15.7	**(10.7)**	15.6
Hyperinflation adjustments	**–**	–	**(10.3)**	(4.1)	**–**	–	**(15.4)**	(1.4)	**(25.7)**	(5.5)
At 31 December	**–**	–	**10.2**	32.2	**15.6**	12.6	**1.9**	19.3	**27.7**	64.1

Deferred income tax assets are recognised for tax losses carry-forward to the extent that realisation of the related tax benefits through future taxable profit is probable. In accordance with the accounting policy, the Group has not recognised deferred tax assets in respect of cumulative tax losses of approximately HK$2,599.0 million (2022: HK$2,468.4 million) and impairment of non-current assets of approximately HK$180.0 million (2022: HK$53.3 million) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses do not expire under current tax legislation.

29 DERIVATIVE FINANCIAL INSTRUMENTS

Accounting Policy

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.

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.

	2023 **HK$ million**	2022 HK$ million
Liabilities – current		
Gold future contracts (Note (i))	**0.6**	–
Paper precious metals (Note (ii))	**0.9**	4.6
	1.5	4.6

29 DERIVATIVE FINANCIAL INSTRUMENTS *(Continued)*

Notes:

(i) Trading derivatives – gold future contracts

The Group entered into gold future contracts in order to mitigate its exposure to the price risk of certain refinery inventories. These contracts are actively traded in an active market and are measured at fair values based on quoted price as at reporting date, with gain or loss recognised directly in consolidated statement of profit or loss within 'other gains, net'.

The notional principal amount of the outstanding gold future contracts was approximately HK$49.5 million (2022: Nil) as at 31 December 2023.

(ii) Hedging derivatives – paper precious metals

The Group enters into paper precious metals contracts in order to manage its exposure to the price risk of inventories. All these paper precious metals contracts are designated as hedges of the fair values of the commodities held by the Group (fair value hedges). These contracts are actively traded in an active market and are measured at fair values based on quoted price as at reporting date, with gain or loss recognised directly in consolidated statement of profit or loss, together with any changes in the fair value of the hedged commodities that are attributable to the hedged risk.

The notional principal amount of the outstanding paper precious metals contracts was approximately HK$39.3 million as at 31 December 2023.

The following table contains details of the hedging instrument used in the Group's hedging strategy as at 31 December 2023:

As at 31 December 2023	Term	Carrying amount of hedging instrument, net HK$ million	Hedging gain/(loss) adjusted against inventories HK$ million	Hedge ineffectiveness recognised in profit or loss HK$ million
Fair value hedge	2 months	**(0.9)**	**19.9**	**–**

The following table contains details of the hedged items under the Group's hedging strategy as at 31 December 2023:

Carrying amount of the hedged item	2023 HK$ million
Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item	**19.9**
Net carrying amount of the hedged item included in the inventories as recognised in the consolidated balance sheet	**40.1**

For the fair value measurement of derivatives, please refer to Note 3.4.

30 PROVISIONS

Accounting Policy

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Estimated dismantlement cost for oil and gas production assets which meet the criteria of provisions are recognised as provisions and the amount recognised is the present value of the estimated future expenditure determined in accordance with local conditions and requirements, while a corresponding addition to the related oil and gas production assets of an amount equivalent to the provision is also created. This is subsequently depleted as part of the costs of sales. Interest expenses from the estimated dismantlement costs for each period are recognised with the effective interest method during the useful life of the related oil and gas production assets. Due to technological progress, legal requirements or changes in the market environment, changes in the provisions caused by changes in the amount of expenditure, estimated time of retirement obligations, discount rate, etc., may occur in fulfilling the retirement obligation. For an increase in provisions, the cost of oil and gas production assets will be increased accordingly; for a decrease in provisions, the cost of oil and gas production assets will be deducted within the limit of the carrying amount of assets related to estimated dismantlement costs. If a decrease in the provision exceeds the carrying amount of the oil and gas production assets recognised corresponding to the provision, the excess shall be recognised immediately in profit or loss.

30 PROVISIONS *(Continued)*

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 year are set out as follows:

	2023	2022
	HK$ million	HK$ million
At 1 January	**513.3**	431.7
Settlement of dismantlement costs	**(43.0)**	(21.2)
(Reduction)/increase due to changes in estimates (Note 16)	**(226.8)**	101.2
Hyperinflation adjustments	**12.9**	11.0
Accretion of interest (Note 11)	**54.0**	26.2
Exchange differences	**(16.7)**	(35.6)
At 31 December	**293.7**	513.3
Less: current portion	**(78.1)**	(80.1)
	215.6	433.2

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.

As at 31 December 2023, the Group revaluated the present value of provision for estimated dismantlement costs with references to the updated reserve assessments prepared by the independent qualified technical consultant and the latest market condition. Due to changes in the market condition, the Group recognised a decrease in the present value of provision for estimated dismantlement costs for HK$226.8 million (2022: increase of HK$101.2 million) and adjusted the decrease (2022: increase) to the carrying amount of the oil and gas production assets.

31 CAPITAL AND RESERVES

Accounting Policy

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(a) Authorised and issued share capital

	2023		2022	
	No. of shares '000	HK$ million	No. of shares '000	HK$ million
Authorised:				
At 1 January and 31 December				
Ordinary shares of HK$0.01 each	**200,000,000**	**2,000**	200,000,000	2,000
Ordinary shares, issued and fully paid:				
At 1 January				
Ordinary shares of HK$0.01 each	**8,808,881**	**88.1**	8,758,881	87.6
Shares issued under share option scheme	**–**	**–**	50,000	0.5
Purchase of own shares	**(67,104)**	**(0.7)**	–	–
At 31 December				
Ordinary shares of HK$0.01 each	**8,741,777**	**87.4**	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 year ended 31 December 2023, the Company repurchased 67,104,000 of its own shares from the market and subsequently cancelled (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.

(b) Nature and purpose of reserves

(i) Share premium

The application of the share premium account is governed by the Bermuda Companies Act 1981.

(ii) Capital reserve

The capital reserve of the Group represents (i) the difference between the amount by which non-controlling interests are adjusted and the fair value of the consideration paid upon acquisition of additional interests in non-wholly owned subsidiaries during the year ended 31 December 2012 and (ii) the difference between the nominal value of ordinary shares issued by the Company and the aggregate of the share capital and share premiums of subsidiaries acquired through a reorganisation in preparation for the listing of the Company's shares on the Stock Exchange in October 1998.

31 CAPITAL AND RESERVES *(Continued)*

(b) Nature and purpose of reserves (Continued)

(iii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations, including the translation effect for entities operating in hyperinflating economy. The reserve is dealt with in accordance with the accounting policy set out in Note 39.4.

(iv) Fair value reserve (non-recycling)

The fair value reserve (non-recycling) comprises the cumulative net change in the fair value of financial assets at FVOCI that are held at the end of the reporting period (see Notes 21 and 39.7).

(v) Contributed surplus

The contributed surplus of the Group and the Company represented the credit arising from capital reduction in prior years.

Under Section 54 of the Bermuda Companies Act 1981, contributed surplus is available for distribution as dividends to shareholders subject to the provisions of the Company's bye-laws and provided that immediately following the distribution, the Company is able to pay its liabilities as and when they fall due or the realisable value of the Company's assets would not be less than the aggregate of its liabilities and its issued share capital and share premium account.

(vi) Share-based payment reserve

The share-based payment reserve comprises the fair value of unexercised share options granted to eligible participants of the Company that has been recognised in accordance with the accounting policy adopted for share-based payments in note 32.

32 SHARE-BASED PAYMENTS

Accounting Policy

The fair value of share options granted to employees is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

– including any market performance conditions (e.g. the Group's share price),

– excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, revenue growth targets and remaining an employee of the Group over a specified time period), and

– including the impact of any non-vesting conditions (e.g. the requirement for employees to save or hold shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

32 SHARE-BASED PAYMENTS *(Continued)*

The Company has implemented a share option scheme ("**Share Option Scheme**") to provide incentives to or to reward the eligible participants thereunder for their contributions to the Group in the past or in the future; and/or to 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.

The maximum number of shares which may be issued upon exercise of all share options being 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 a general meeting. In addition, the total 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 (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, the chief executive or substantial shareholders 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 a 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 and the exercisable 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.

The exercise price of the share options granted 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.

32 SHARE-BASED PAYMENTS *(Continued)*

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.

On 22 July 2022, a total of 130,000,000 share options were granted to the directors of the Company under the Share Option Scheme.

Set out below are summaries of options granted under Share Option Scheme:

	Average exercise price per share option	**2023 Number of options ('000)**	2022 Number of options ('000)
As at 1 January		**80,000**	–
Granted during the year	HK$0.138	**–**	130,000
Exercised during the year	HK$0.138	**–**	(50,000)
As at 31 December	HK$0.138	**80,000**	80,000

No options were expired during the year.

The share options outstanding as at 31 December 2023 had an exercise price of HK$0.138 and a remaining contractual life of 2.6 years. The weighted average share price at the time of exercise of options during the year ended 31 December 2022 was HK$0.166.

(a) *Fair value of options granted*

The assessed fair value of the options granted at the grant date was HK$0.076 per option. The fair value is independently determined using Binomial Option Pricing Model. The following are the inputs used in this model for the options granted during the year ended 31 December 2022:

Exercise price	HK$0.138
Life of options (year)	4
Risk-free rate	2.535%
Dividend yield	0.00%
Volatility	88.67%
Early exercise multiple	2.80
Post-vesting exit rate (% per year)	0.00%
Vesting date	22 July 2022

The expected price volatility is based on the historic volatility (based on the remaining life of the options) adjusted for any expected changes to future volatility due to publicly available information.

33 CASH FLOW INFORMATION

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as "cash flow used in financing activities".

	Lease liabilities HK$ million
At 1 January 2022	31.0
Changes from financing cash flows:	
Capital element of lease rentals paid	(9.9)
Interest element of lease rentals paid	(1.5)
Other changes:	
Accrued in interest payable	1.6
Inception of lease contracts	7.9
Total other changes	9.5
At 31 December 2022	29.1
Capital element of lease rentals paid	**(8.3)**
Interest element of lease rentals paid	**(0.5)**
Other changes:	
Accrued in interest payable	**0.6**
Inception of lease contracts	**1.1**
Total other changes	**1.7**
At 31 December 2023	**22.0**

34 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 these consolidated financial statements, 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 the consolidated financial statements, the Group entered into the following material related party transactions:

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in Note 10 and certain of the highest paid employees as disclosed in Note 9, is as follows:

	2023 HK$ million	2022 HK$ million
Short-term employee benefits	**8.5**	11.3
Post-employment benefits	**–**	–
Benefits from share options granted	**–**	9.9
	8.5	21.2

(b) Other related party transactions

Nature of transactions	**2023 HK$ million**	2022 HK$ million
Rent and management fee paid to an associate of an intermediate parent of the Company (Note)	**2.3**	3.3
IT management and support fees paid to an associate of an intermediate parent of the Company	**0.2**	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 31 December 2023, the aggregated balance of lease liabilities due to related party in respect of the leased office was HK$1.0 million (2022: HK$2.9 million).

35 COMMITMENTS

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

	2023 **HK$ million**	2022 HK$ million
Authorised but not contracted for	**124.9**	125.0
Authorised and contracted for	**8.9**	13.7
	133.8	138.7

36 LITIGATION

On 4 June 2021, a wholly-owned subsidiary of the Group, was notified of the initiation of an arbitration process against it by the 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 approximately US$0.2 million (equivalents to approximately HK$1.4 million). Following the quashing of the Partner's claim by the arbitrators in the first instance of hearing, a second instance of hearing by arbitrators was initiated by the Partner which is due to be held in March 2024. No provision had been provided in respect of the potential disputed difference as at 31 December 2023 (2022: Nil), 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.

On 22 December 2022, the Ministry of Mining and Energy of the Province of Salta decided to initiate sanctioning procedure against the Group's wholly-owned subsidiary and the Partner in their capacity as concessionaire of Los Blancos, for potential breach for non-compliance of investment plan. On 1 February 2023 and 29 June 2023, the Group's wholly-owned subsidiary filed appeals for reconsideration. To date, the Mining and Energy Secretariat of the Province of Salta has not issued any resolution regarding the type of sanction or amount thereof, or if it has intention subsequently.

37 STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Note	2023 HK$ million	2022 HK$ million
Non-current assets			
Investments in subsidiaries	19	**–**	–
Current assets			
Prepayments, deposits and other receivables		**489.1**	361.9
Financial assets at fair value through profit or loss		**14.3**	17.5
Cash and bank balances		**159.3**	224.1
		662.7	603.5
Current liabilities			
Other payables		**51.2**	52.3
		51.2	52.3
Net current assets		**611.5**	551.2
Total assets less current liabilities		**611.5**	551.2
Net assets		**611.5**	551.2
Capital and reserves			
Share capital	31(a)	**87.4**	88.1
Reserves	38	**524.1**	463.1
Total equity		**611.5**	551.2

The statement of financial position of the Company was approved by the Board of Directors on 25 March 2024 and was signed on its behalf.

CHENG, Kam Chiu Stewart
Director

TANG, John Wing Yan
Director

38 RESERVES OF THE COMPANY

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

	Share capital HK$ million	Share premium HK$ million	Capital Reserve HK$ million	Fair value reserve (non-recycling HK$ million	Contributed surplus HK$ million	Share-based payment reserve HK$ million	Accumulated losses HK$ million	Total equity HK$ million
At 1 January 2022	87.6	4,868.2	9.6	(4.7)	740.9	–	(5,178.7)	522.9
Total comprehensive income								
Profit for the year	–	–	–	–	–	–	11.6	11.6
Share options granted	–	–	–	–	–	9.8	–	9.8
Exercise of share options	0.5	10.2	–	–	–	(3.8)	–	6.9
	0.5	10.2	–	–	–	6.0	–	16.7
At 31 December 2022 and 1 January 2023	88.1	4,878.4	9.6	(4.7)	740.9	6.0	(5,167.1)	551.2
Total comprehensive income								
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**68.4**	**68.4**
Purchase of own shares	**(0.7)**	**(7.4)**	**–**	**–**	**–**	**–**	**–**	**(8.1)**
	(0.7)	**(7.4)**	**–**	**–**	**–**	**–**	**68.4**	**(8.1)**
At 31 December 2023	**87.4**	**4,871.0**	**9.6**	**(4.7)**	**740.9**	**6.0**	**(5,098.7)**	**611.5**

39 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

39.1 Subsidiary

A subsidiary is an entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 39.2).

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of changes in equity respectively.

39.2 Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a gain on bargain purchase. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

39 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

39.3 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

39.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The consolidated financial statements are presented in Hong Kong dollar, which is the Company's functional and Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currency are recognised in profit of loss. All foreign exchange gains and losses are presented in the consolidated statement of profit or loss within "other income and net gains and losses".

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Transaction differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity held at FVPL are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity classified as FVOCI are recognised in other comprehensive income.

(c) Group companies

The results and financial position of foreign operations, which do not have the currency of a hyperinflationary economy and have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting currency translation differences are recognised in other comprehensive income.

39 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

39.4 Foreign currency translation *(Continued)*

(c) Group companies *(Continued)*

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

The results and the financial position of group entity which is accounted for as entity operating in a hyperinflationary economy and that has a functional currency different from the presentation currency of the Group are translated into the presentation currency at the closing rate at the date of the statement of financial position, and all the resulting translation differences are recognised in other comprehensive income.

(d) Disposal of foreign operation

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a disposal involving loss of joint control over a joint venture that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

39.5 Hyperinflation accounting

As the presentation currency of the Group is that of a non-hyperinflationary economy, comparative amounts are not adjusted for changes in the price level or exchange rates in the current year. Differences between these comparative amounts and the hyperinflation adjusted equity opening balances are recognised as below:

– The restatement effects for the equity opening balances are recognised directly in equity; and

– The translation effects for the equity opening balances are recognised in exchange reserves through other comprehensive income.

The carrying amounts of non-monetary assets and liabilities are adjusted to reflect the change in the general price index from the date of acquisition to the end of the reporting period. An impairment loss is recognised in profit or loss if the restated amount of a non-monetary item exceeds its estimated recoverable amount.

Gains or losses on the net monetary position are recognised in the consolidated statement of profit or loss.

All items recognised in the consolidated statement of profit or loss are restated by applying the change in the general price index from the dates when the items of income and expenses were initially earned or incurred.

At the beginning of the first period of application, the components of owners' equity, except accumulated losses, are restated by applying a general price index from the dates the components were contributed or otherwise arose. The restatement effects are recognised directly in equity, and the translation effects are recognised in exchange reserves through other comprehensive income. Restated accumulated losses are derived from the residual amounts in the restated statement of financial position.

39 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

39.5 Hyperinflation accounting *(Continued)*

At the end of the first period and in the subsequent periods, all components of owners' equity are restated by applying a general price index from the beginning of the period or the date of contribution, if later.

All items in the consolidated cash flow statement are expressed in terms of the general price index at the end of the reporting period.

39.6 Impairment of non-financial assets

Cryptocurrencies and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

39.7 Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity investments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

39 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

39.7 Investments and other financial assets *(Continued)*

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "other income and net gains and losses" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in profit or loss.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in "other income and net gains and losses". Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in "other income and net gains and losses" and impairment expenses are presented as separate line item in profit or loss.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within "net investment income/(loss)" in the period in which it arises.

39 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

39.7 Investments and other financial assets *(Continued)*

(iii) Measurement *(Continued)*

Equity investments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as "other income and net gains and losses" when the Group's right to receive payments is established.

Change in the fair value of financial assets at FVPL are recognised in "net investment income/(loss)" in the statement of profit or loss as applicable. Impairment losses and reversal of impairment losses on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade and other receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 3.2(b) for further details.

39.8 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group and the counterparty.

39.9 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

39 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

39.10 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

39.11 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

(b) Pension obligations

The Group maintains a number of defined contribution plans in the countries in which it operates, the assets of the retirement benefit are generally held in separate trustees-administered funds. The retirement plans are generally funded by payments from employees and by the Group.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group operates a Mandatory Provident Fund Scheme ("**the MPF scheme**") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000 (2022: HK$30,000). Contributions to the plan vest immediately.

The Group also participates in the employees' pension schemes of the respective municipal governments in various places (including the Mainland China, the Argentine Republic and Canada) where the Group operates. The Group makes monthly contributions calculated as a percentage of the monthly basic salary and the relevant municipal government undertakes to assume the retirement benefit obligations of all existing and future retirees of the Group.

(c) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

FIVE YEARS FINANCIAL SUMMARY

Set out below is a summary of the results and a statement of net assets of the Group for the last five financial years, as extracted from the audited consolidated financial statements and reclassified as appropriate.

RESULTS

	Year ended 31 December				
	2023 HK$ million	2022 HK$ million	2021 HK$ million	2020 HK$ million	2019 HK$ million
REVENUE	**26,150.2**	20,913.2	11,167.1	5,034.5	236.6
(LOSS)/PROFIT BEFORE TAXATION	**(159.6)**	300.7	343.6	(64.6)	(2,310.4)
INCOME TAX	**9.1**	(14.8)	(14.2)	(14.9)	20.2
(LOSS)/PROFIT ATTRIBUTABLE TO					
Owners of the Company	**(150.5)**	285.9	329.4	(79.5)	(2,290.1)
Non-controlling interests	**–**	–	–	–	(0.1)
	(150.5)	285.9	329.4	(79.5)	(2,290.2)

	As at 31 December				
	2023 HK$ million	2022 HK$ million	2021 HK$ million	2020 HK$ million	2019 HK$ million
ASSETS AND LIABILITIES					
Non-current assets	**672.4**	980.2	852.8	130.6	167.2
Current assets	**1,028.3**	1,185.2	883.6	890.6	928.1
Total assets	**1,700.7**	2,165.4	1,736.4	1,021.2	1,095.3
Current liabilities	**252.8**	329.8	199.5	240.8	85.6
Non-current liabilities	**255.5**	514.0	435.4	21.4	163.2
Total liabilities	**508.3**	843.8	634.9	262.2	248.8
NET ASSETS	**1,192.4**	1,321.6	1,101.5	759.0	846.5

GLOSSARY

"boe"	Barrels of oil equivalent
"mmbbl"	Million barrels of oil, a barrel is equivalent to 42 U.S. Gallons or 0.158987 m^3
"mmboe"	Million barrels of oil equivalent, a barrel is 42 U.S. gallons or 0.158987 m^3
"Proved Reserves"	Proved oil and gas reserves are those quantities of oil and gas which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible
"Probable Reserves"	Additional reserves that are less certain to be recovered than Proved Reserves but which, together with Proved Reserves, are as likely as not to be recovered