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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8011)

CONNECTED TRANSACTION ENTERING INTO THE EQUITY TRANSFER AGREEMENT

THE EQUITY TRANSFER

The Board of the Company announces that on 2 November 2021 (after trading hours), the Company entered into the Equity Transfer Agreement with the Transferee for the transfer of 100% issued share capital of the Target Company, at the total Transfer Price of HK\$9,800,000.

The Transfer Price will be satisfied by the Transferee by (i) transferring HK\$1,800,000.00 to the bank account designated by the Company, and (ii) setting-off against the down payment HK\$8,000,000.00 payable by CIMP for the drilling service to be provided by the Transferee for SC49 project in the Philippines under the Turnkey Drilling Service Agreement.

IMPLICATION UNDER THE GEM LISTING RULES

Given the Transferee is a substantial Shareholder and the Transferee directly holds 260,555,556 Shares representing approximately 6.79% of the issued share capital of the Company and his Associates directly holds 444,000,000 Shares representing approximately 11.57% of the issued share capital of the Company as at the date of this announcement, the Transferee is a Connected Person of the Company and therefore the Equity Transfer constitutes a connected transaction of the Company upon chapter 20 of the GEM Listing Rules. Pursuant to chapter 20 of the GEM Listing Rules, the Equity Transfer is subject to the reporting and announcement requirements.

THE EQUITY TRANSFER

The Board announces that on 2 November 2021 (after trading hours), the Company, as the Transferor, entered into the Equity Transfer Agreement with the Transferee, pursuant to which, the Company agreed to transfer to the Transferee the 100% issued share capital of the Target Company at a total Transfer Price of HK\$9,800,000.

THE EQUITY TRANSFER AGREEMENT

Date

2 November 2021

Parties

Transferor: the Company

Transferee: East Asia Oil Engineering Group Limited

Assets to be transferred

The Target Company is an investment holding company whose entire share capital is legally and beneficially owned by an indirect wholly-owned subsidiary of the Company.

For further information on the Target Company, please refer to the paragraph headed “Information on the Target Group” below.

Transfer Price and payment

The Transfer Price for 100% issued share capital of the Target Company under the Equity Transfer is HK\$9,800,000 which will be satisfied by the Transferee by (i) transferring HK\$1,800,000.00 to the bank account designated by the Company within 5 business days upon the execution of the Equity Transfer Agreement, and (ii) setting-off against the down payment amounting HK\$8,000,000.00 payable by CIMP for the drilling service to be provided by the Transferee for SC49 project in the Philippines under the Turnkey Drilling Service Agreement, effective from the date the Board passing a resolution approving the Equity Transfer Agreement and the transactions contemplated thereunder.

The Transfer Price was arrived at based on normal commercial terms after arm’s length negotiations between the parties to the Equity Transfer Agreement. The Transfer Price for the Equity Transfer is considered by the Board as fair and reasonable and in the interests of the Group and of the Shareholders as a whole.

INFORMATION ON THE TARGET GROUP

Target Company

The Target Company is a limited company incorporated under the laws of the British Virgin Islands on 9 July 2007 and it directly and indirectly holds the entire issued share capital of Great Wall.

Great Wall

Great Wall is a limited company incorporated under the laws of the Philippines and it holds 100% interest in COC145 granted by the Department of Energy of the Philippines. COC145 project, located in Surigao del Sur, Philippines and covering an area of approximately 5,000 hectares, has progressed into the development phase but is now suspended in operation pending for the governmental agencies overseeing environmental protection to issue a tree cutting permit.

Financial information of the Target Group

For the year ended 31 December 2019, the Target Group recorded a loss after taxation and extraordinary items of approximately HK\$17,000. For the year ended 31 December 2020, the Target Group recorded a loss after taxation and extraordinary items of approximately HK\$35,000. The net book value of the Target group as at 31 December 2020 was a shareholders’ deficit of approximately HK\$16,715,000.

REASONS FOR AND BENEFITS OF THE EQUITY TRANSFER

The Group is principally engaged in the exploration, exploitation and development of oil and natural gas and provision of technical services.

CIMP has contracted with the Transferee to perform acid treatment and put on pumps for 3 producing oil wells to increase the production in 2022. In addition, as planned in the plan of development, 6 new production wells are planned in 2022, including 5 directional wells and 1 vertical well, in order to exploit more reserves, increase oilfield productivity and improve economic benefits. At present, the related drilling proposals and work programs have been completed and the Transferee, as drilling contractor, is purchasing materials and dispatching staff to site to prepare the rig equipment. The 6 new wells and the 3 existing wells after acid treatment will be put into production and it is expected to increase the daily oil capacity to over 600 barrels.

The Transferee has signed an engineering procurement construction (EPC) contract for the oil refinery with a manufacturer in China. The first phase project of the refinery will have an annual capacity of 200,000 barrels. The Transferee has ordered the oil refinery equipment and also is building large oil tanks and other supporting facilities.

The Directors consider that the terms of the Equity Transfer Agreement are fair and reasonable and in the interests of the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

Given the Transferee is a substantial Shareholder and the Transferee directly holds 260,555,556 Shares representing approximately 6.79% of the issued share capital of the Company and his Associates directly holds 444,000,000 Shares representing approximately 11.57% of the issued share capital of the Company as at the date of this announcement, the Transferee is a Connected Person of the Company and therefore the Equity Transfer constitutes a connected transaction of the Company upon chapter 20 of the GEM Listing Rules. Pursuant to chapter 20 of the GEM Listing Rules, the Equity Transfer is subject to the reporting and announcement requirements.

DEFINITIONS

“Associates”	has the meaning given to that term in the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, a Sunday or days on which a typhoon signal 8 or above or black rainstorm signal is hoisted in Hong Kong at 10:00 a.m.) on which banks in Hong Kong are generally open for business
“CIMP”	China International Mining Petroleum Company Limited, a company incorporated under the laws of Hong Kong and a non-wholly owned subsidiary of the Company, holding 80% participating interests of SC49 as at the date of this announcement
“COC145”	the coal operating contract no.145 dated 17 November 2006 made between the Philippines Government and Caraga Energy & Mineral Resources Development Corporation for an area of approximately 5,000 hectares located in San Miguel, Surigao del Sur, the

Philippines, 100% interest of which was acquired by Great Wall in 2008

“Company”	Polyard Petroleum International Group Limited, a company incorporated under the laws of the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange (stock code: 8011)
“Connected Person(s)”	has the meaning given to that term in the GEM Listing Rules
“Director(s)”	director(s) of the Company
“Equity Transfer”	the transfer of the 100% issued share capital of the Target Company contemplated under the Equity Transfer Agreement
“Equity Transfer Agreement”	an equity transfer agreement dated 2 November 2021 entered into between the Company as transferor and East Asia as transferee for the transfer of the 100% issued share capital of the Target Company at the total transfer price of HK\$9,800,000
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Great Wall”	Great Wall Mining and Power Corp., a company incorporated under the laws of the Philippines and an associated company of the Target Company owned as to 40% by the Target Company and 60% by Eastern Star Mining and Power Corp., a company incorporated under the laws of the Philippines and an associated company of the Target Company owned as to 40% by the Target Company, holding 100% interest in COC145
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“SC49”	the petroleum service contract no.49 dated 1 March 2005 entered into between Phil-mal Petroenergy Corporation , a company incorporated under the laws of the Republic of Philippines, and the Government of the Republic of the Philippines for an area of 265,000 hectares more or less, covering the oil fields in Southern Cebu, Philippines, and the 4% participating interests of which is currently held by Phil-mal Petroenergy Corporation, the 16% participating interests of which is held by Skywealth Group Holdings Limited, and the 80% participating interests of which is held by CIMP as at the date of this announcement

“Share(s)”	ordinary share(s) of HK\$0.04 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Mexford Holdings Limited, a company incorporated under the laws of the British Virgin Islands and the entire issued share capital of which is indirectly held by the Transferor as at the date of the Equity Transfer Agreement
“Target Group”	the Target Company and its subsidiaries as well as its associated companies
“Transferor”	the Company
“Transferee”	East Asia Oil Engineering Group Limited (“East Asia”, being a company incorporated in British Virgin Islands with limited liability), a substantial Shareholder
“Transfer Price”	HK\$9,800,000, being the total consideration under the Equity Transfer Agreement, to be satisfied by the Transferee by (i) transferring HK\$1,800,000.00 to the bank account designated by the Company, and (ii) setting-off against the down payment HK\$8,000,000.00 payable by CIMP for the drilling service to be provided by East Asia for SC49 project in the Philippines under the Turnkey Drilling Service Agreement
“Turnkey Drilling Service Agreement”	a turnkey drilling service agreement for six production wells dated 11 January 2020 and its addendum entered into by CIMP and the Transferee
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

On behalf of the Board
Polyard Petroleum International Group Limited
Lai Chun Liang
Executive Director and CEO

Hong Kong, 3 November 2021

At the date of this announcement, the executive directors of the Company are Mr. Zhao Zhiyong, Mr. Lai Chun

Liang and Mr. Lin Zhang; the non-executive directors of the Company are Mr. Yang Changchun and Ms. Xie Qun; the independent non-executive directors of the Company are Mr. Wang Xiaoyu, Mr. Kwan King Chi George and Mr. Cheng Chak Ho.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Listed Company Information” page for at least seven days from the date of its posting and on the website of the Company at www.ppig.com.hk.