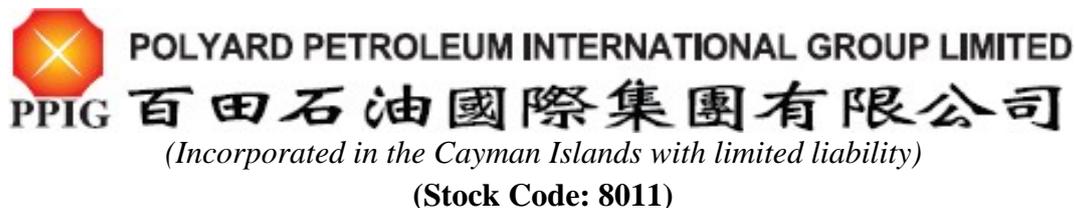


*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**THIRD QUARTERLY RESULTS ANNOUNCEMENT  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021**

**CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE  
“STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement, for which the directors (the “Directors”) of Polyard Petroleum International Group Limited (the “Company”) 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 enquires, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

### THIRD QUARTERLY RESULTS

The board of Directors (the “Board”) of the Company would like to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the nine months ended 30 September 2021, together with the comparative unaudited figures for the corresponding period in 2020, as under:

#### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*For the three months and nine months ended 30 September 2021*

		Unaudited Three months ended 30 September		Unaudited Nine months ended 30 September	
	Notes	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000
Turnover		—	—	—	—
Other Income		97	137	217	215
Administrative and other operating expenses		(2,016)	(2,027)	(11,893)	(9,550)
Finance costs	3	(6,586)	(3,374)	(18,092)	(13,312)
Impairment losses recognized on deferred exploration expenditure		—	—	—	134
Share of results of a joint venture		38	2	38	68
Gain on disposal of subsidiaries	8	—	—	—	3,882
Waiver of interest expense		—	19,763	—	19,763
<b>(Loss)/Profit before tax</b>	4	<b>(8,467)</b>	14,501	<b>(29,730)</b>	1,200
Income tax	5	—	—	—	—
<b>(LOSS)/PPRFIT FOR THE PERIOD</b>		<b>(8,467)</b>	14,501	<b>(29,730)</b>	1,200

		Unaudited Three months ended 30 September		Unaudited Nine months ended 30 September	
	<i>Notes</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>Attributable to:</b>					
Owners of the Company		(8,482)	14,418	(29,649)	1,767
Non-controlling interests		15	83	(81)	(567)
		<u>(8,467)</u>	<u>14,501</u>	<u>(29,730)</u>	<u>1,200</u>
<b>(Loss)/Earnings per share</b>					
— Basic ( <i>in HK cents</i> )	6	<u>(0.221)</u>	<u>0.438</u>	<u>(0.778)</u>	<u>0.058</u>
— Diluted ( <i>in HK cents</i> )		<u>(0.221)</u>	<u>0.438</u>	<u>(0.778)</u>	<u>0.058</u>
Dividend	7	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the three months and nine months ended 30 September 2021*

	<b>Unaudited</b>		<b>Unaudited</b>	
	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>30 September</b>		<b>30 September</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>HK\$'000</b>	HK\$'000	<b>HK\$'000</b>	HK\$'000
<b>(Loss)/Profit for the period</b>	<b>(8,467)</b>	14,501	<b>(29,730)</b>	1,200
Other comprehensive expense:				
Item that may be reclassified				
subsequently to profit or loss:				
Exchange differences arising on				
translation of foreign				
operations	<u>837</u>	<u>(125)</u>	<u>1,133</u>	<u>(1,428)</u>
<b>TOTAL COMPREHENSIVE</b>				
<b>EXPENSE FOR THE PERIOD</b>	<u><b>(7,630)</b></u>	<u>14,376</u>	<u><b>(28,597)</b></u>	<u>(228)</u>
<b>Attributable to:</b>				
Owners of the Company	<u>(7,908)</u>	14,345	<u>(28,976)</u>	686
Non-controlling interests	<u>278</u>	31	<u>379</u>	<u>(914)</u>
<b>TOTAL COMPREHENSIVE</b>				
<b>EXPENSE FOR THE PERIOD</b>	<u><b>(7,630)</b></u>	<u>14,376</u>	<u><b>(28,597)</b></u>	<u>(228)</u>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*For the nine months ended 30 September 2021*

	Unaudited									
	Attributable to owners of the Company									
	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Share reserve <i>HK\$'000</i>	Capital reserve <i>HK\$'000</i>	Exchange reserve <i>HK\$'000</i>	Convertible bonds reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Subtotal <i>HK\$'000</i>	Non- controlling interests <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2020 (Audited)	117,502	998,012	985	—	(1,045)	3,285	(1,114,690)	4,049	17,959	22,008
Profit/(Loss) for the period	—	—	—	—	—	—	1,767	1,767	(567)	1,200
Other comprehensive expense for the period	—	—	—	—	(1,081)	—	—	(1,081)	(347)	(1,428)
Total comprehensive expense for the period	—	—	—	—	(1,081)	—	1,767	686	(914)	(228)
Issue of shares	16,666	58,334	—	—	—	—	—	75,000	—	75,000
At 30 September 2020	<u>134,118</u>	<u>1,056,346</u>	<u>985</u>	<u>—</u>	<u>(2,126)</u>	<u>3,285</u>	<u>(1,112,923)</u>	<u>79,735</u>	<u>17,045</u>	<u>96,780</u>
At 1 January 2021 (Audited)	134,168	1,056,346	985	23,559	(2,151)	2,810	(1,139,284)	76,433	24,105	100,538
Loss for the period	—	—	—	—	—	—	(29,649)	(29,649)	(81)	(29,730)
Other comprehensive expense for the period	—	—	—	—	673	—	—	673	460	1,133
Total comprehensive expense for the period	—	—	—	—	673	—	(29,649)	(28,976)	379	(28,597)
Issue of shares	19,311	67,589	—	—	—	—	—	86,900	—	86,900
Acquisition of non- controlling interest in subsidiaries	—	—	—	—	—	—	—	—	5,578	5,578
At 30 September 2021	<u>153,479</u>	<u>1,123,935</u>	<u>985</u>	<u>23,559</u>	<u>(1,478)</u>	<u>2,810</u>	<u>(1,168,933)</u>	<u>134,357</u>	<u>30,062</u>	<u>164,419</u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 6 March 2002 as an exempted company under the Companies Law of the Cayman Islands. The shares of the Company were listed on GEM on 12 July 2002.

The principal activity of the Company is investment holding. The subsidiaries of the Group are principally engaged in the exploration, exploitation and development of oil and natural gas and provision of technical services for oil and gas exploration and development.

### 2. BASIS OF PREPARATION

The condensed consolidated results have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the applicable disclosure requirements of the GEM Listing Rules.

The condensed consolidated results have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The accounting policies adopted for preparing the condensed consolidated results are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2020.

### 3. FINANCE COSTS

	<b>Unaudited</b>		<b>Unaudited</b>	
	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>30 September</b>		<b>30 September</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
Imputed interest on convertible bonds and overdue expense	<b>6,500</b>	3,295	<b>17,843</b>	13,073
Interest on promissory note payable	<b>60</b>	60	<b>180</b>	180
Interest on bank borrowings and overdraft	<b>26</b>	19	<b>69</b>	59
	<b>6,586</b>	3,374	<b>18,092</b>	13,312

#### 4. (LOSS)/PROFIT BEFORE TAX

(Loss)/Profit before tax is arrived at after charging the following items:

	Unaudited Three months ended 30 September		Unaudited Nine months ended 30 September	
	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000
Staff costs (including directors' emoluments)				
–Salaries, allowances and benefits in kind	1,618	1,550	4,887	7,085
–Retirement scheme defined contributions	17	17	45	51
Depreciation of property, plant and equipment	2	6	7	28

#### 5. INCOME TAX

	Unaudited Three months ended 30 September		Unaudited Nine months ended 30 September	
	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000
Current tax				
–Hong Kong profits tax	—	—	—	—
–PRC enterprise income tax	—	—	—	—
–Other jurisdictions	—	—	—	—
Income tax expense for the period	—	—	—	—

No Hong Kong profits tax has been provided as the Group had no assessable profits in Hong Kong for the period (2020: Nil).

Under the Law of the PRC on Enterprises Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the applicable PRC enterprises income tax rate of the Group’s PRC subsidiaries is 25% for the period. Taxation arising on other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

No deferred tax assets has been recognised in respect of such tax losses due to unpredictability stream of future taxable profits that will be available against which the tax losses can be utilized (2020: Nil).

## 6. (LOSS)/EARNINGS PER SHARE

The calculations of the basic and diluted (loss)/earnings per share are based on the following data:

	Unaudited Three months ended 30 September		Unaudited Nine months ended 30 September	
	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000
(Loss)/Profit for the period attributable to owners of the Company	<u>(8,482)</u>	<u>14,418</u>	<u>(29,649)</u>	<u>1,767</u>
	'000	'000	'000	'000
Issued ordinary shares at beginning of the period	<b>3,836,982</b>	2,937,538	<b>3,354,204</b>	2,937,538
Effect of ordinary shares issued	<u>—</u>	<u>357,790</u>	<u>456,252</u>	<u>120,134</u>
Weighted average number of ordinary shares at the end of the period	<u><b>3,836,982</b></u>	<u>3,295,328</u>	<u><b>3,810,456</b></u>	<u>3,057,672</u>

The computation of diluted loss per share does not assume the conversion of the outstanding convertible bonds since it would result in a decrease in loss per share, and is regarded as anti-dilutive.

## 7. DIVIDENDS

The Board does not recommend the payment of a dividend for the period (2020: Nil).

## 8. GAIN ON DISPOSAL OF SUBSIDIARIES

On 31 December 2019, a wholly-owned subsidiary of the Company entered into a legally binding MOU with an independent third party pursuant to which the subsidiary of the Company has agreed to dispose of the entire interest in Modern Lucky International Limited and its subsidiaries which held 89% equity interest in Central Luzon Gas Project at the consideration of HK\$1. On 19 June 2020, the Disposal Transaction had been completed.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Business and Financial Review**

The Group did not generate any turnover for the period ended 30 September 2021 (2020: Nil).

The Group recorded a net loss attributable to owners of the Company of approximately HK\$29,649,000 for the period as compared to a net profit attributable to owners of the Company of approximately HK\$1,767,000 for the corresponding period last year.

Administrative and other operating expenses for the period amounted to approximately HK\$11,893,000 representing an increase of approximately HK\$2,343,000 or 25%, as compared with the corresponding period last year. The increase was mainly attributable to a loss on acquisition of non-controlling interests in subsidiaries of approximately HK\$5,578,000 and partially offset by a decrease in various business expenses such as employee costs, rental, entertainment and overseas travelling expenses.

Finance costs for the period amounted to approximately HK\$18,092,000 (2020: approximately HK\$13,312,000). The increase in interest costs was mainly resulted from late charges of interest expense on convertible bonds.

### **Events after the Reporting Period**

On 2 November 2021, the Company entered into a share transfer agreement with East Asia Oil Engineering Group Limited (“East Asia”) pursuant to which the Company will dispose the entire interest in an indirect wholly-owned subsidiary, Mexford Holdings Limited and its subsidiaries which held 64% interest in Philippines San Miguel Coal Mine Project at the consideration of HK\$9,800,000.

## **BUSINESS REVIEW AND OUTLOOK**

### **Philippines South Cebu Oil and Gas Project (“SC49”)**

SC49 is situated in the southern part of Cebu, central Philippines, where hydrocarbon had been discovered in previous drillings. China International Mining and Petroleum Company Limited (“CIMP”) acquired 80% participating interest of SC49 and became the operator of SC49 project in July 2009. The Group indirectly acquired 51% of CIMP’s issued share capital in October 2012 and an additional 12% in April 2014, bringing the effective interest in SC49 project to 50.4% after the latest acquisition.

During the year of 2020, due to the COVID-19 pandemic, the Philippine government had imposed various preventive measures, amongst others, lock-down policy and quarantine measures across cities and provinces as well as the travel restriction banning foreign nationals from entering the country since March 2020. Manila and Cebu were under General Community Quarantine, and the travel restriction has still been in force up to the date of this announcement. CIMP had already sent relevant personnel to the country under the endorsement of Department of Foreign Affairs, and replaced the expatriates who had long been stationing there. As a result of COVID-19 pandemic, the drilling progress of SC49 project postponed. The drilling work is expected to resume upon the Philippine government’s lifting of the foreigner-entry restrictions.

As a result of COVID-19 pandemic, the demand of oil from the customers under SC49 project had decreased. Nonetheless, CIMP has actively been identifying for prospective oil buyers. In September 2020, CIMP signed a five-year sales and purchase agreement with a local oil trading company, Boom Oil Inc., which committed to purchase 60 barrels of crude oil a day from CIMP. The oil hauling and sales activities attributable to this customer started in the last quarter of 2020. However, Boom Oil Inc., put a halt on oil hauling due to the lower demands because of COVID-19 pandemic and the skyrocketing WTI oil prices. Apart from Tom's Power Petroleum Distributor Inc. which has been purchasing oil from CIMP on an irregular basis since 2016, CIMP started business relationship with another new customer, ARC Merchandising, and if the oil hauling goes smoothly, CIMP is expecting to sign a long-term contract with the new customer.

In order to meet the market demands, CIMP plans to drill more production wells and expand the oil production in 2022, upon the ease of COVID-19 pandemic and the Philippine government’s lifting of the foreigner-entry restrictions. Meanwhile, CIMP has contracted with East Asia 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 East Asia, 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.

## **Philippines San Miguel Coal Mine Project**

San Miguel Coal Mine Project has progressed into the development phase. Phase-2 Road Construction was launched to have vehicles accessing to the initial mining area, but was pending for the governmental agencies overseeing environmental protection to issue a tree-cutting permit. The construction can be resumed any time after the issuance of tree-cutting permit. However, due to the COVID-19 pandemic, the operation of San Miguel Coal Mine Project could not be resumed. The operation company, Great Wall Mining and Power Corporation, has filed a moratorium for temporary suspension of operation.

### **Outlook**

Given the uncertainties in the oil and gas industry and the macroeconomic environment, the Group remains cautious about the economic outlook. Crude oil prices have recovered to their pre-pandemic levels from their COVID-19 slump. The Company will continue to evaluate commercial feasibility of potential projects, in particular in respect of small to medium-sized oil fields, and continue its efforts in seeking operating funds from the financial market. In the meantime, the Group will continue to concentrate our exploration efforts in our major operation area, i.e. SC49 project, and ensure smooth development and production for maintaining stable healthy cash flow.

## **OTHER INFORMATION**

### **DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS**

As at 30 September 2021, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to the securities transactions by Directors.

### **SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND/OR UNDERLYING SHARES OF THE COMPANY**

As at 30 September 2021, the interests and short positions of persons, other than Directors or chief executive of the Company, in the shares and/or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or substantial shareholders as recorded in the register of substantial shareholders required to be kept by the Company under Section 336 of the SFO were as follows:

<b>Name of person</b>	<b>Number of shares held</b> L (Note 1)	<b>Capacity</b>	<b>Approximate percentage of interest</b>
Silver Star Enterprises Holdings Inc.	1,872,055,931 (L) (Note 2)	Beneficial owner	48.79%
Lam Nam	1,872,055,931 (L) (Note 2)	Interest of a controlled corporation	48.79%
	270,702,223 (L)	Beneficial owner	7.06%
Guoxiang Holdings (Hong Kong) Limited	444,000,000 (L) (Note 3)	Beneficial owner	11.57%
He Rongguo	444,000,000 (L) (Note 3)	Interest of a controlled corporation	11.57%
East Asia Oil Engineering Group Limited	260,555,556 (L) (Note 4)	Beneficial owner	6.79%
Inwood Support Limited	260,555,556 (L) (Note 4)	Interest of a controlled corporation	6.79%
Li Suiqing and He Rongguo	260,555,556 (L) (Note 4)	Interest of a controlled corporation	6.79%
CCB International Overseas Limited	277,777,777 (L) (Note 5)	Beneficial owner	7.24%
China Construction Bank Corporation	277,777,777 (L) (Note 5)	Interest of a controlled corporation	7.24%
Central Huijin Investment Ltd.	277,777,777 (L) (Note 5)	Interest of a controlled corporation	7.24%

*Notes:*

- 1 The letter “L” denotes long positions in shares or underlying shares.
- 2 The entire issued share capital of Silver Star Enterprises Holdings Inc. is beneficially owned by Mr. Lam Nam. Mr. Lam Nam is deemed to be interested in 1,872,055,931 shares held by Silver Star Enterprises Holdings Inc.
- 3 The entire issued share capital of Guoxiang Holdings (Hong Kong) Limited is beneficially owned by Mr. He Rongguo. Mr. He Rongguo is deemed to be interested in 444,000,000 shares held by Guoxiang Holdings (Hong Kong) Limited.

- 4 The entire issued share capital of East Asia Oil Engineering Group Limited is owned by Inwood Support Limited and Inwood Support Limited is owned as to 68% by Ms. Li Suiqing and 32% by Guoxiang Holdings (Hong Kong) Limited. The entire issued share capital of Guoxiang Holdings (Hong Kong) Limited is beneficially owned by Mr. He Rongguo. Accordingly, Ms. Li Suiqing and Mr. He Rongguo are deemed to be interested in 260,555,556 shares.
- 5 These shares may be allotted and issued upon exercise of the conversion rights attaching to the convertible bonds issued by the Company to CCB International Overseas Limited, which has matured on 31 March 2019. The entire issued share capital of CCB International Overseas Limited is owned by China Construction Bank Corporation and China Construction Bank Corporation is owned as to 57.11% by Central Huijin Investment Ltd. The Company and CCB International Overseas Limited are in the process of negotiation regarding the settlement arrangement.

Save as disclosed above, as at 30 September 2021, the Directors were not aware of any other person (other than the Directors or chief executive of the Company) who had an interest or short position in the shares and/or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO.

## **DIRECTORS' RIGHTS TO ACQUIRE SHARES**

At no time during the period were rights to acquire benefits by means of acquisition of shares in or debentures of the Company or of any other body corporate granted to any Directors, their respective spouses or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangements to enable the Directors, their respective spouses or children under 18 years of age to acquire such rights in the Company or any other body corporate.

## **CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company was not aware of any non-compliance with the code of conduct and the required standard of dealings regarding securities transactions throughout the period ended 30 September 2021.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

## **PRE-EMPTIVE RIGHTS**

There is no provision for pre-emptive rights under the Company's Articles of Association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro rata basis to the existing shareholders.

## **COMPETING INTERESTS**

During the period, none of the Directors or the management shareholders of the Company (as defined in the GEM Listing Rules) had an interest in a business which competes or may compete with the business of the Group.

## **CODE ON CORPORATE GOVERNANCE PRACTICES**

Throughout the period, the Company has complied with the requirements of the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 15 of the GEM Listing Rules.

## **AUDIT COMMITTEE**

The Company has established the Audit Committee with written terms of reference in compliance with Rules 5.28 and 5.33 of the GEM Listing Rules. The primary duties of the Audit Committee include reviewing the Company's annual report, half-year report and quarterly financial reports and providing advice and comments thereon to the Board. The Audit Committee is also responsible for reviewing the Company's financial controls, risk management and internal control systems. It is also responsible for making recommendations to the Board on the appointment, re-appointment and removal of external auditor, approving the remuneration and terms of engagement of the external auditor, reviewing and monitoring the external auditor's independence and objectivity, and meeting the external auditor at least twice a year regarding the review of the financial reports and accounts.

The Audit Committee comprises the two independent non-executive Directors, namely Mr. Kwan King Chi George and Mr. Cheng Chak Ho and a non-executive Director, namely Ms. Xie Qun. Mr. Kwan King Chi George is the Chairman of the Audit Committee.

The condensed consolidated financial statements of the Group for the period have been reviewed by the Audit Committee, which is of the opinion that such condensed consolidated financial statements complied with the applicable accounting standards, the Stock Exchange and legal requirements, and that adequate disclosures have been made.

For and on behalf of the Board  
**Polyard Petroleum International Group Limited**  
Zhao Zhiyong  
*Chairman*

Hong Kong, 12 November 2021

*As at the date of this announcement, the Board comprises:*

***Executive Directors***

*Mr. Zhao Zhiyong*

*Mr. Lai Chun Liang*

*Mr. Lin Zhang*

***Non-Executive Directors***

*Mr. Yang Changchun*

*Ms. Xie Qun*

***Independent Non-Executive Directors***

*Mr. Wang Xiaoyu*

*Mr. Kwan King Chi George*

*Mr. Cheng Chak Ho*

*The announcement will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least seven days from the date of its posting and on the Company’s website at [www.ppig.com.hk](http://www.ppig.com.hk).*