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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8011)

SUPPLEMENTAL ANNOUNCEMENT CONNECTED TRANSACTION ENTERING INTO THE EQUITY TRANSFER AGREEMENT

Reference is made to the connected transaction announcement issued by Polyard Petroleum International Group Limited (the “**Company**”) dated 3 November 2021 (the “**Announcement**”). Unless otherwise specified, capitalised terms used herein have the same meanings as those defined in the Announcement.

In addition to the information set out in the Announcement, the Company would like to provide further information as follows:

As disclosed in the section headed “Information on the Target Group” in the Announcement, “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”. There was a typing error on this statement, which should be “The Target Company is a limited company incorporated under the laws of the British Virgin Islands on 9 July 2007 and it directly holds 40% and indirectly holds 24% of issued share capital of Great Wall”. For the year ended 31 December 2019, the Target Group recorded a loss before tax of approximately HK\$17,000 and a loss after tax of approximately HK\$17,000. For the year ended 31 December 2020, the Target Group recorded a loss before tax of approximately HK\$35,000 and a loss after tax of approximately HK\$35,000. Upon completion of the Equity Transfer, the Target Group will no longer be a subsidiary of the Company.

The directors considered that the disposal of equity, which held the only assets being COC145 project was in an idle situation for a substantially long period pending for the granting of a tree-cutting permit from the Environmental Department of the Philippines government as well as the agreement from the owners of the relevant trees that is in a complicated circumstance, would have the effect of concentrating the Group’s effort in the SC49 oil project, thus could have a better effect than holding the subject equity.

To facilitate the development of the SC49 oil project, CIMP has been preparing manpower and material resources for drilling new production wells and performing acid treatment on the existing wells in the coming year. Please refer to the second and third paragraphs headed “Reasons for and Benefits of the Equity Transfer”. The sale proceeds will be mainly for settling the down payment amounting to HK\$8,000,000 payable by CIMP for the drilling service to be provided by the Transferee for the SC49 project in the Philippines under the Turnkey Drilling Service Agreement. The disposal of the COC145 project which was in an idle situation will help to provide funds for the contemplated drilling in the SC49 project.

As informed by the Transferee, the Transferee is a company with limited liability incorporated in the British Virgin Islands and principally engaged in providing oilfield engineering and technology services. As at the date of the Equity Transfer Agreement and as at the date of the Announcement, the entire issued share

capital of the Transferee is beneficially owned as to 68% by Ms. Li Suiqing who has over seven years of experience in the investment in the oil and gas industry and 32% by Guoxiang Holdings (Hong Kong) Limited which is beneficially owned by Mr. He Rongguo and is a company with limited liability incorporated in Hong Kong and principally engaged in construction and decoration, owned 444,000,000 Shares, representing approximately 11.57% of the total issued share capital of the Company. Pursuant to Rule 20.07(1) of the GEM Listing Rules, Guoxiang Holdings (Hong Kong) Limited, a substantial Shareholder, is a Connected Person of the Company and an Associate of the Transferee.

It is expected the Company will record an unaudited gain (before taxation) of approximately HK\$9,800,000 from the Equity Transfer, being the difference between (i) the consideration for the Equity Transfer and (ii) the unaudited net liabilities value of the Target Group attributable to the Company as at 30 September 2021 which all the initial investment by the Target Company has had written off previously. The actual gain as a result of the Equity Transfer to be recorded by the Group is subject to final audit to be performed by the Company's auditors.

The sale proceeds are intended to be used as general working capital of the Group and for settling the down payment amounting HK\$8,000,000 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.

The Transfer Price was arrived at after arm's length negotiations between the parties to the Equity Transfer Agreement with reference to the cost of COC145 project incurred by the Target Group of approximately HK\$14,000,000 as at 30 September 2021 with an adjustment regarding the complicated operating condition of COC145 project. The Equity Transfer is considered by the Board (including the independent non-executive Directors) as fair and reasonable and in the interests of the Group and of the Shareholders as a whole despite the Equity Transfer is not in the ordinary and usual course of business of the Group and not on normal commercial terms. To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, the Directors have no material interest in the Equity Transfer and there is no other past or present relationships (whether business, employment, family, trust, financing, personal or otherwise) between the Directors and the ultimate beneficial owner of the Transferee or any of their subsidiaries, their shareholders, directors or any of their respective associates and are therefore no director is required to abstain from voting on the relevant board resolution(s).

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

Hong Kong, 19 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.