
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Polyard Petroleum International Group Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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POLYARD PETROLEUM INTERNATIONAL GROUP LIMITED

百田石油國際集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 8011)

**PROPOSED CHANGE OF AUDITORS; AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” in this circular. The notice convening the EGM of Polyard Petroleum International Group Limited to be held at Carrianna (Chiu Chow) Restaurant, 1/F, 151 Gloucester Road, Wan Chai, Hong Kong on Wednesday, 5 December 2018 at 11:30 a.m. is set out on pages EGM-1 to EGM-2 of this circular.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are attending the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, as soon as possible and in any event no later than 48 hours before the time appointed for holding the EGM (or any adjournment thereof). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM (or any adjournment thereof) should you so wish and, in such event, the relevant form of proxy shall be deemed to be revoked. This circular will remain on the “Latest Company Announcement” page of the GEM website at www.hkgem.com for at least seven days from the date of its posting and on the website of the Company at www.ppig.com.hk.

13 November 2018

CHARACTERISTICS OF GEM

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 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.

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context otherwise requires:

“Appointment”	the proposed appointment of Confucius as the new auditors of the Company in place of Pan-China, subject to the approval of the Shareholders at the EGM
“Articles”	the articles of association of the Company as may be amended from time to time
“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors
“Company”	Polyard Petroleum International Group Limited, a company incorporated in the Cayman Islands with limited liability whose Shares are listed on GEM of the Stock Exchange (stock code: 8011)
“Confucius”	Confucius International CPA Limited, certified public accountants
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at Carrianna (Chiu Chow) Restaurant, 1/F, 151 Gloucester Road, Wan Chai, Hong Kong on Wednesday, 5 December 2018 at 11:30 a.m. (or any adjustment thereof) to consider and if thought fit, approve the Proposed Change of Auditors
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	collectively, the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	8 November 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Outstanding Results”	collectively, the 2017 Annual Results, the first quarterly results announcement for the three months ended 31 March 2018, the interim results announcement for the six months ended 30 June 2018, and the third quarterly results announcement for the nine months ended 30 September 2018, of the Company

DEFINITIONS

“Pan-China”	Pan-China (H.K.) CPA Limited, certified public accountants, the existing auditors of the Company
“Pan-China Letter”	the letter of termination which shall be issued by Pan-China to the Board and the Audit Committee upon receipt of the notification from the Company regarding the Removal, but which the Company had not received up to the Latest Practicable Date
“Proposed Change of Auditors”	collectively, the Removal and the Appointment
“Removal”	the proposed removal of Pan-China as the auditors of the Company before the expiration of their term of office, subject to the approval of the Shareholders at the EGM
“Resumption Conditions”	resumption conditions imposed by the Stock Exchange to the Company, as published in an announcement of the Company dated 1 August 2018
“Share(s)”	ordinary share(s) of HK\$0.04 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s) in issue
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“2017 Annual Results”	annual results announcement of the Company for the year ended 31 December 2017

LETTER FROM THE BOARD



POLYARD PETROLEUM INTERNATIONAL GROUP LIMITED
百田石油國際集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 8011)

Executive Directors:

Mr. Zhao Zhiyong (*Chairman*)

Mr. Kuai Wei

Mr. Lai Chun Liang

Mr. Lin Zhang

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Independent Non-executive Directors:

Mr. Pai Hsi-Ping

Ms. Xie Qun

Mr. Kwan King Chi George

Head Office and Principal Place

of Business:

Room 801-802, 8th Floor

Shanghai Industrial Investment Building

48-62 Hennessy Road

Wan Chai

Hong Kong

13 November 2018

To the Shareholders

Dear Sir/Madam

PROPOSED CHANGE OF AUDITORS

1. INTRODUCTION

Reference is made to the announcement of the Company dated 15 October 2018 in relation to, among others, the Proposed Change of Auditors.

The purpose of this circular is to provide the Shareholders with further details of the Proposed Change of Auditors to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolutions to be proposed at the EGM.

2. PROPOSED CHANGE OF AUDITORS

Trading in the Shares on GEM has been suspended since 9:00 a.m. on 3 April 2018 due to the delay in publication of the 2017 Annual Results. As disclosed in the Company's announcement dated 1 August 2018, the Stock Exchange issued the Resumption Conditions to the Company on 18 July 2018 setting out the requirements that the Company shall have fulfilled before trading in the Shares can resume, namely, (i)

LETTER FROM THE BOARD

publish all outstanding financial results and address any audit qualifications (if any) to the market; and (ii) announce all material information for the Shareholders and other investors to appraise the Company's position.

Since the issue of the Resumption Conditions, the Company all along has been working closely with its various professional parties in order to satisfy the Resumption Conditions as per the timetable of the Company, including but not limited to procuring publication of the Outstanding Results at the earliest practicable date. Nonetheless, as disclosed in the announcement of the Company dated 15 October 2018, the Board and Pan-China have been unable to reach a consensus on the audit conclusion in relation to the preparation of the 2017 Annual Results on a going concern basis.

After considering the facts and circumstances, the Audit Committee, having been delegated the power to oversee the effectiveness of the external auditors and to make recommendations to the Board on appointment and removal of auditors provided that the Board should seek the approval of the Shareholders, proposed the Removal and the Appointment in accordance with the GEM Listing Rules.

After the notification of the Removal given by the Company to Pan-China and up to the Latest Practicable Date, despite the Company's repeated requests, the Company still had not received the Pan-China Letter. Having considered that, up to the Latest Practicable Date, there was no clear indication from Pan-China as to when the Pan-China Letter will be issued to the Company, if the Company continues to wait for the receipt of the Pan-China Letter, the progress of implementing the Proposed Change of Auditors will be further extended, it will also cause further delay in publication of the 2017 Annual Results and other Outstanding Results, the timetable of the Company for fulfilling the Resumption Conditions will not be able to implement as scheduled and will require to be further postponed. In these circumstances, the Board considers that it is in the interests of the Company and the Shareholders as a whole to proceed with the despatch of this circular and the convention of the EGM without waiting for the receipt of the Pan-China Letter.

Having assessed and considered that Confucius is an experienced accounting firm and is eligible and suitable to act as auditors of the Group, the Audit Committee has recommended to the Board and the Board has resolved to appoint Confucius as the auditors of the Company to handle the audit work for the 2017 Annual Results, subject to the passing of the resolution(s) in relation to the Proposed Change of Auditors at the EGM.

Compliance with the Articles and the GEM Listing Rules

Pursuant to article 152(2) of the Articles, Shareholders may, at any general meeting convened and held in accordance with these Articles, by special resolution remove the auditors at any time before the expiration of his term of office and shall by ordinary resolution at that meeting appoint another auditor in his stead for the remainder of his term. In accordance with these Articles, the Removal will be proposed at the EGM as a special resolution and the Appointment will be proposed at the EGM as an ordinary resolution.

Pursuant to Rule 17.100 of the GEM Listing Rules, the Company (a) must not remove its auditors before the end of the auditors' term of office without first obtaining the Shareholders' approval at a general meeting, (b) must send a circular proposing the removal of the auditors to the Shareholders with any written representations from the auditors, not less than 10 business days (as defined in the GEM Listing Rules)

LETTER FROM THE BOARD

before the general meeting, and (c) must allow the auditors to attend the general meeting and make written and/or verbal representations to the Shareholders at the general meeting. In this respect, the EGM will be held and Pan-China will be invited to attend the EGM to make its written or verbal representations to the Shareholders at the EGM.

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of the shareholders at a general meeting must be taken by way of poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the EGM will therefore demand a poll for the relevant resolutions relating to the Removal and the Appointment at the EGM in accordance with the procedures set out in the Articles. The results of the poll shall be deemed to be the resolution of the general meeting in which the poll was demanded or required and the poll results will be published on the websites of the Stock Exchange and the Company after the EGM in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

3. EXTRAORDINARY GENERAL MEETING

The EGM will be held to consider and, if thought fit, pass the requisite resolutions to approve, the Proposed Change of Auditors by way of poll.

The notice convening the EGM to be held at Carrianna (Chiu Chow) Restaurant, 1/F, 151 Gloucester Road, Wan Chai, Hong Kong on Wednesday, 5 December 2018 at 11:30 a.m. is set out on pages EGM-1 to EGM-2 of this circular.

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder was required to abstain from voting on the resolutions to be proposed at the EGM.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are attending the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event no later than 48 hours before the time appointed for holding the EGM (or any adjournment thereof). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM (or any adjournment thereof) should you so wish and, in such event, the relevant form of proxy shall be deemed to be resolved.

4. RECOMMENDATION

The Board and the Audit Committee confirm that, save as disclosed in this circular, there are no other circumstances or matters in connection with the Proposed Change of Auditors that need to be brought to the attention of the Shareholders. The Board, including the independent non-executive Directors, considered that each of the proposed Removal and Appointment is in the interests of the Company and the Shareholders as a whole and recommends the Shareholders to vote in favour of the resolutions to be proposed at the EGM.

LETTER FROM THE BOARD

5. RESPONSIBILITY STATEMENT

This circular, 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 circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

6. GENERAL

Your attention is also drawn to the additional information set out in the notice convening the EGM. The English texts of this circular and the accompanying proxy form shall prevail over the Chinese texts in case of inconsistency.

Trading in the Shares has been suspended since 9:00 a.m. on 3 April 2018. The trading in Shares will remain suspended until further notice.

Yours faithfully,
For and on behalf of the Board
Polyard Petroleum International Group Limited
Zhao Zhiyong
Chairman

NOTICE OF EXTRAORDINARY GENERAL MEETING



POLYARD PETROLEUM INTERNATIONAL GROUP LIMITED

百田石油國際集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 8011)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of the shareholders (the “Shareholders”) of Polyard Petroleum International Group Limited (the “Company”) will be held at Carrianna (Chiu Chow) Restaurant, 1/F, 151 Gloucester Road, Wan Chai, Hong Kong on Wednesday, 5 December 2018 at 11:30 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions of the Company:

SPECIAL RESOLUTION

“**THAT**

- (a) Pan-China (H.K.) CPA Limited be and is hereby removed as the auditors of the Company with immediate effect.”

ORDINARY RESOLUTION

“**THAT**

- (b) conditional upon the passing of the special resolution (a) above, Confucius International CPA Limited be and is hereby appointed as the auditors of the Company in place of Pan-China (H.K.) CPA Limited immediately following its removal and to hold office until the conclusion of the forthcoming annual general meeting of the Company, and that the board of directors of the Company be and is hereby authorised to fix their remuneration.”

Hong Kong, 13 November 2018

Yours faithfully,

For and on behalf of the Board

Polyard Petroleum International Group Limited

Zhao Zhiyong

Chairman

NOTICE OF EXTRAORDINARY GENERAL MEETING

As at the date of this notice, the Directors are as follows:

Executive Directors:

Mr. Zhao Zhiyong (*Chairman*)
Mr. Kuai Wei
Mr. Lai Chun Liang
Mr. Lin Zhang

Independent Non-executive Directors:

Mr. Pai Hsi-Ping
Ms. Xie Qun
Mr. Kwan King Chi George

Head Office and Principal Place of Business:

Room 801-802, 8th Floor
Shanghai Industrial Investment Building
48-62 Hennessy Road
Wan Chai
Hong Kong

Notes:

1. Any member entitled to attend and vote at the EGM is entitled to appoint one or, if he/she is the holder of two or more Shares, more than one proxy to attend and vote on his/her behalf in accordance with the articles of association of the Company. A proxy need not be a member of the Company.
2. To be valid, a form of proxy together with the power of attorney or other authority, if any, under which is signed or a notarially certified copy of that power of attorney or authority must be deposited at the Company's Hong Kong branch share registrar and transfer office, Tricor Standard Limited, of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof.
3. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the EGM or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. In the case of joint holders of a Share, any one of such joint holders may vote at the EGM, either in person or by proxy, in respect of such Share as if he/she were solely entitled thereto. If more than one of such joint holders are present at the EGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
5. The record date for determining the entitlement of the holder of the Shares to attend and vote at the EGM is Thursday, 29 November 2018. In order to qualify for attending the EGM, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Standard Limited, of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Thursday, 29 November 2018.
6. Any voting of the meeting should be taken by poll.