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**(1) DELAY IN PUBLICATION OF AUDITED ANNUAL RESULTS
AND DESPATCH OF ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020;
(2) PUBLICATION OF UNAUDITED ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2020; AND
(3) POSTPONEMENT OF BOARD MEETING**

This announcement is made by Polyard Petroleum International Group Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

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.

*This announcement, for which the directors (the “**Directors**”) of 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.*

DELAY IN PUBLICATION OF AUDITED ANNUAL RESULTS AND DESPATCH OF ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and hereby announces that there is a delay in the release of the audited annual results for the year ended 31 December 2020 (the “**2020 Audited Annual Results**”) and despatch of annual report for the year ended 31 December 2020 (the “**2020 Annual Report**”).

The audit procedures for the 2020 Audited Annual Results have not been completed mainly due to relevant restrictions in force in the Philippines by relevant Philippine authorities, including but not limited, the lock-down policy and quarantine measures across cities and provinces as well as the travel restriction. As the auditors of the Company could not visit the subsidiaries of the Group and perform field work there, they have been taking alternative verification work such as reviewing the authenticity of audit supporting documents through video meeting. However, additional time is required for obtaining further information required by the Company and the auditors of the Company in connect with, among others:

- (i) video inspection of the oil hauling activities in respect of the Philippines South Cebu Oil and Gas Project (SC49) to be rescheduled as a result of relevant restrictions in force in Philippines. The Filipino citizens who enter an island from another island in the Philippines are subject to the presentation of negative polymerase chain reaction test (PCR-Test) result and certificate issued by local medical institution within 72 hours prior to the time of entry. The customers which are based in the islands of Luzon and Negros are required to send their drivers having passed the PCR-Test to the island of Cebu for hauling oil in the oil field of SC49 and transporting filled oil tank back. Given (a) the constraints of the measures imposed between islands; and (b) lack of experienced drivers who manage to drive the filled oil tank along precipitous mountain track to and from the oil field of SC49, the customers under SC49 project has been hauling oil on an irregular basis, resulting in the difficulty in scheduling video inspections on oil hauling activities with auditors of the Company;
- (ii) outstanding confirmations from banks and creditors in relation to the overseas subsidiaries of the Group in the Philippines as a result of limited operation of banks and creditors. As the COVID-19 pandemic continues to evolve in the Manila and Cebu where the subsidiaries of the Group locate, relevant branches of banks have shortened their operation hours and limited to essential services from time to time. The response rate from banks and creditors on such confirmation is relatively low;
- (iii) a few of outstanding bank confirmations in relation to the subsidiaries of the Group in Hong Kong; and
- (iv) outstanding audit supporting documents in relation to a PRC subsidiary of the Group requested by the auditors of the Company. A staff who is responsible for the overall accounting matters of the PRC subsidiary of the Group was on extended sick leave, resulting in the sluggish progress of provision of relevant documents as requested by the auditors of the Company.

Accordingly, the Company is unable to publish the 2020 Audited Annual Results and 2020 Annual Report in accordance with Rules 18.03, 18.48A and 18.49 of the GEM Listing Rules by 31 March 2021. The Company has been and will continue using its best endeavours to ensure that the 2020 Audited Annual Results and the 2020 Annual Report will be finalized, approved and published as soon as practicable. To facilitate the audit progress, the Company will, among others, (i) actively liaise with customers under SC49 project and coordinate with auditors of the Company for rescheduling video inspections; (ii) persistently liaise with banks and creditors for issuing confirmation at their earliest convenience; and (iii) arranging more personnel to support the accounting staff in the PRC so as to expedite the audit progress in relation to the subsidiary in the PRC. It is expected that the publication of the 2020 Audited Annual Results and the publication and despatch of the 2020 Annual Report will be delayed to a date falling on or before 14 May 2021.

Notwithstanding the delay in publication of the 2020 Audited Annual Results and 2020 Audited Annual Report, the business operation of the Group remains normal save for those impact caused by the pandemic COVID-19. The Company will publish further announcement(s) to inform the Shareholders and potential investors of the Company of any material developments in connection with the 2020 Audited Annual Results and the 2020 Annual Report as and when appropriate.

POSTPONEMENT OF BOARD MEETING

In light of the above, the meeting of the Board to, among other things, consider and approve the 2020 Audited Annual Results originally scheduled to be held on 31 March 2021 will be postponed. The Company will publish further announcement(s) in due course to inform the Shareholders of the date of the meeting of the Board to consider and approve the 2020 Audited Annual Results.

UNAUDITED ANNUAL RESULTS

As explained in the paragraph headed “Delay in publication of audited annual results and despatch of annual report for the year ended 31 December 2020” above, the audit procedures for the 2020 Audited Annual Results have not been completed. In order to minimise disruptions to the trading of the Company’s shares while ensuring that the Shareholders and the public are informed of the Group’s business operation and financial position, the Board has decided to publish the unaudited annual results of the Group for the year ended 31 December 2020, which have not yet been agreed with the auditor of the Company. Such unaudited annual results have been agreed and reviewed by the audit committee (the “**Audit Committee**”) of the Board.

The Board of the Company is pleased to announce the unaudited annual results of the Group for the year ended 31 December 2020 together with the audited comparative figures for the previous year, as set out below:

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2020

		2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Audited)
	<i>Notes</i>		
Turnover	5	—	—
Other Income	5	330	596
Administrative and other operating expenses		(13,394)	(18,059)
Finance costs	6	(16,535)	(18,407)
Impairment losses recognized on deferred exploration expenditure		134	—
Share of results of a joint venture		167	(84,841)
Gains from disposal of a subsidiary	7	3,882	—
Waiver of interest expense	8	19,763	—
		<hr/>	<hr/>
Loss before income tax	9	(5,653)	(120,711)
Income tax credit	10	—	—
		<hr/>	<hr/>
Loss for the year		(5,653)	(120,711)
		<hr/>	<hr/>
Attributable to:			
Owners of the Company		(5,133)	(88,611)
Non-controlling interests		(520)	(32,100)
		<hr/>	<hr/>
		(5,653)	(120,711)
		<hr/>	<hr/>
Loss per share	<i>11</i>		
— Basic		HK(0.16) cents	HK(3.02) cents
		<hr/>	<hr/>
— Diluted		HK(0.16) cents	HK(3.02) cents
		<hr/>	<hr/>

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

For the year ended 31 December 2020

	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Audited)
Loss for the year	(5,653)	(120,711)
Other comprehensive expense		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	<u>(1,390)</u>	<u>(661)</u>
Total comprehensive expense for the year	<u>(7,043)</u>	<u>(121,372)</u>
Attributable to:		
Owners of the Company	(6,382)	(88,834)
Non-controlling interests	<u>(661)</u>	<u>(32,538)</u>
	<u>(7,043)</u>	<u>(121,372)</u>

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2020

		2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Audited)
	<i>Notes</i>		
NON-CURRENT ASSETS			
Property, plant and equipment		36	144
Interests in a joint venture		269,316	270,685
		269,352	270,829
CURRENT ASSETS			
Other receivables	13	45,900	45,001
Cash and cash equivalents		76	296
		45,976	45,297
CURRENT LIABILITIES			
Other payables	14	(62,903)	(63,151)
Amounts due to directors		(12,382)	(11,758)
Convertible bonds	15	(75,000)	(150,000)
Promissory note payable		(2,000)	(2,000)
		(152,285)	(226,909)
NET CURRENT LIABILITIES		(106,309)	(181,612)
TOTAL ASSETS LESS CURRENT LIABILITIES		163,043	89,217

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)*At 31 December 2020*

	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Audited)
NON-CURRENT LIABILITIES		
Amounts due to a shareholder	<u>(73,078)</u>	<u>(67,209)</u>
NET ASSETS	<u>89,965</u>	<u>22,008</u>
CAPITAL AND RESERVES		
Share capital	134,168	117,502
Reserves	<u>(61,501)</u>	<u>(113,453)</u>
Equity attributable to owners of the Company	72,667	4,049
Non-controlling interest	<u>17,298</u>	<u>17,959</u>
TOTAL EQUITY	<u>89,965</u>	<u>22,008</u>

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

	Attributable to owners of the Company							Non-controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Share reserve HK\$'000	Exchange reserve HK\$'000	Convertible bonds reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000		
At 1 January 2019 (Audited)	117,502	998,012	985	(822)	3,285	(1,026,079)	92,883	50,497	143,380
Loss for the year	—	—	—	—	—	(88,611)	(88,611)	(32,100)	(120,711)
Other comprehensive expense for the year	—	—	—	(223)	—	—	(223)	(438)	(661)
Total comprehensive expense for the year	—	—	—	(223)	—	(88,611)	(88,834)	(32,538)	(121,372)
At 1 January 2020 (Audited)	117,502	998,012	985	(1,045)	3,285	(1,114,690)	4,049	17,959	22,008
Loss for the year	—	—	—	—	—	(5,133)	(5,133)	(520)	(5,653)
Other comprehensive expense for the year	—	—	—	(1,249)	—	—	(1,249)	(141)	(1,390)
Total comprehensive expense for the year	—	—	—	(1,249)	—	(5,133)	(6,382)	(661)	(7,043)
Issue of shares	16,666	58,334	—	—	—	—	75,000	—	75,000
At 31 December 2020	<u>134,168</u>	<u>1,056,346</u>	<u>985</u>	<u>(2,294)</u>	<u>3,285</u>	<u>(1,119,823)</u>	<u>72,667</u>	<u>17,298</u>	<u>89,965</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. GENERAL INFORMATION

Polyard Petroleum International Group Limited (the “Company”) is a public limited company incorporated in the Cayman Islands and its shares are listed on the GEM of The Stock Exchange of Hong Kong Limited. Its parent is Silver Star Enterprises Holdings Inc. (incorporated in the British Virgin Islands) and the ultimate controlling party is Mr. Lam Nam. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section of the annual report.

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are the exploration, exploitation and development of oil and natural gas and provision of technical services.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Company’s annual consolidated financial statements for the year ended 31 December 2020.

The condensed consolidated financial statements are unaudited, but have been reviewed by the Company’s audit committee. The condensed consolidated financial statements for the year ended 31 December 2020 were approved and authorised for issue by the Directors on 31 March 2021.

3. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost.

The accounting policies and method of computation used in preparing the unaudited consolidated results are consistent with those used in the audited financial statements for the year ended 31 December 2020. The condensed consolidated results have not been audited by the Company's auditors, but have been reviewed by the Company's audit committee.

The Company has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts ¹
Amendments to HKFRS 3	Definition of a Business ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1 and HKAS 8	Definition of Material ⁴
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform ⁴
Amendments to HKFRS 16	COVID-19 — Related Rent Concession ⁵

- 1 Effective for annual periods beginning on or after 1 January 2021.
- 2 Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.
- 3 Effective for annual periods beginning on or after a date to be determined.
- 4 Effective for annual periods beginning on or after 1 January 2020.
- 5 Effective for annual periods beginning on or after 1 June 2020.

In addition to the above new and amendments to HKFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments, the Amendments to References on the Conceptual Framework in HKFRS Standards, have been effective for annual periods beginning on or after 1 January 2020.

The Directors anticipate that the application of all new and amendments to HKFRSs will have no material impact on the Group's consolidated financial statements in the foreseeable future.

4. SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the chief operating decision-makers that are used to make strategic decisions.

For the years ended 31 December 2020 and 2019, the Group has two reportable and operating segments — (1) exploration of oil and natural gas, and (2) provision of technical services for oil and gas exploration and development. These segments are managed separately as they belong to different industries and require different operating systems and strategies.

The Group accounts for inter-segment revenue and transfers as if the revenue or transfers were to third parties. All inter-segment revenue and transfers are eliminated on consolidation.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit or loss represents profit or loss reported by each segment without allocation of central administration costs including directors' emoluments, finance costs and income tax. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and assessment of segment performance.

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than unallocated corporate assets.
- all liabilities are allocated to operating segments other than unallocated corporate liabilities.

An analysis of the Group's reportable segment revenues, results, assets, liabilities and other selected financial information is presented below.

(a) Reportable Segments

2020	Exploration of oil and natural gas <i>HK\$'000</i>	Provision of technical services <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from external customer	—	—	—	—
Inter-segment revenue	—	969	(969)	—
Reportable segment revenue	—	969	(969)	—
Reportable segment loss before tax	(874)	(3,462)	—	(4,336)
Unallocated corporate expenses				(8,728)
Share of results of a joint venture	167			167
Unallocated interest expenses				(16,535)
Impairment losses recognized on deferred exploration expenditure	134	—	—	134
Gains from disposal of a subsidiary	3,882			3,882
Waiver of interest expense				19,763
Loss before tax				(5,653)
2019				
	Exploration of oil and natural gas <i>HK\$'000</i>	Provision of technical services <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from external customer	—	—	—	—
Inter-segment revenue	—	2,454	(2,454)	—
Reportable segment revenue	—	2,454	(2,454)	—
Reportable segment loss before tax	(3,020)	(6,071)	—	(9,091)
Unallocated corporate expenses				(8,372)
Share of results of a joint venture	(84,841)			(84,841)
Unallocated interest expenses				(18,407)
Loss before tax				(120,711)

2020	Exploration of oil and natural gas <i>HK\$'000</i>	Provision of Technical services <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Total <i>HK\$'000</i>
Assets:				
Segment assets	44,092	958	—	45,050
Interests in a joint venture	269,316			269,316
Unallocated corporate assets				<u>962</u>
Total assets				<u><u>315,328</u></u>
Liabilities:				
Segment liabilities	564	10,836	—	11,400
Unallocated corporate liabilities				<u>213,963</u>
Total liabilities				<u><u>225,363</u></u>
2019	Exploration of oil and natural gas <i>HK\$'000</i>	Provision of Technical services <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Total <i>HK\$'000</i>
Assets:				
Segment assets	43,334	923	—	44,257
Interests in a joint venture	270,685			270,685
Unallocated corporate assets				<u>1,184</u>
Total assets				<u><u>316,126</u></u>
Liabilities:				
Segment liabilities	3,830	10,815	—	14,645
Unallocated corporate liabilities				<u>279,473</u>
Total liabilities				<u><u>294,118</u></u>

Other segment information

2020	Exploration of oil and natural gas <i>HK\$'000</i>	Provision of Technical services <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Depreciation	71	19	5	95
Additions to non-current assets	—	—	—	—
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
2019	Exploration of oil and natural gas <i>HK\$'000</i>	Provision of Technical services <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Depreciation	98	21	122	241
Additions to non-current assets	—	24	—	24
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

(b) 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 property, plant and equipment, interests in associates and a joint venture ("specified non-current assets"). The geographical location of customers is based on the location in which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the assets in the case of property, plant and equipment, and the location of operation in the case of interests in associates and a joint venture.

	Revenue from external customers		Specified non-current assets	
	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Mainland China, including Hong Kong and Macau	—	—	35	78
Philippines	—	—	269,317	270,751
	<u> </u>	<u> </u>	<u>269,352</u>	<u>270,829</u>

5. TURNOVER AND OTHER INCOME

The Group did not have any turnover during the year (2019: Nil) and an analysis of the Group's other income for the year is as follows:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Bank interest income	1	1
Other miscellaneous income	87	45
Administrative income	<u>242</u>	<u>550</u>
	<u>330</u>	<u>596</u>

6. FINANCE COSTS

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Interest expenses on bank overdraft	77	104
Late charges of interest expenses on convertible bonds	4,743	3,082
Interest expenses on convertible bonds	11,475	15,000
Interest expenses on promissory note payable	240	220
Finance lease charges	<u>—</u>	<u>1</u>
	<u>16,535</u>	<u>18,407</u>

7. GAINS FROM DISPOSAL OF A SUBSIDIARY

On 31 December 2019, a wholly-owned subsidiary of the Company entered into a legally binding memorandum of understanding with an independent third party pursuant to which the subsidiary of the Company 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 ("Disposal Transaction") at the consideration of HK\$1. On 19 June 2020, the Disposal Transaction had been completed.

8. WAIVER OF INTEREST EXPENSE

On 13 July 2020, all the conditions in respect of the issue and subscription of convertible bonds in an aggregate principal amount of HK\$75,000,000 had been fulfilled. Upon closing, the Company issued convertible bonds in an aggregate principal amount of HK\$75,000,000 to East Asia Oil Engineering Group Limited ("East Asia") and has used the proceeds from the subscription of HK\$75,000,000 to redeem and cancel the outstanding convertible bonds issued by the Company on 21 July 2015 (the "2015 Bonds") in an aggregate principal amount of HK\$75,000,000 registered in the name of East Asia. Pursuant to the subscription agreement, East Asia irrevocably waived any and all claims, demands, suits, actions, causes of action and rights whatsoever at law or in equity, relating to any accrued and unpaid interest on the 2015 Bonds, totaling approximately HK\$19,763,000.

9. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging the following items:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Staff costs (including directors' emoluments)		
— Salaries, allowances and benefits in kind	9,047	12,270
— Retirement scheme contributions	72	67
	9,119	12,337
Auditor's remuneration		
Audit service	700	600
Non-audit service	—	—
	700	600
Depreciation of property, plant and equipment	31	159

10. INCOME TAX CREDIT

Income tax credit recognised in profit or loss

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Current income tax		
— Hong Kong profits tax	—	—
— PRC enterprise income tax	—	—
— Other jurisdictions	—	—
Deferred tax	—	—
Income tax credit for the year	—	—

No Hong Kong Profits Tax has been provided as the Group had no assessable profits in Hong Kong for the year (2019: Nil).

Under the law of the PRC on Enterprises Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the applicable PRC EIT rate of the Group’s PRC subsidiaries is 25% for both years.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

No deferred tax asset has been recognised in respect of such tax losses due to unpredictability stream offuture taxable profits that will be available against which the tax losses can be utilised.

There was no material unprovided deferred tax liabilities as at the end of the year (2019: Nil).

The income tax credit for the year can be reconciled to the loss before income tax per the consolidated statement of profit or loss as follows:

	2020 <i>HK\$’000</i>	2019 <i>HK\$’000</i>
Loss before income tax	<u>(5,653)</u>	<u>(120,711)</u>

11. LOSS PER SHARE

Basic and diluted loss per share

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

	2020 <i>HK\$’000</i>	2019 <i>HK\$’000</i>
Loss for the year attributable to the owners of the Company	<u>(5,133)</u>	<u>(88,611)</u>

	2020 <i>’000</i>	2019 <i>’000</i>
Weighted average number of ordinary shares for the year	<u>3,132,210</u>	<u>2,937,538</u>

During the years ended 31 December 2020 and 2019, 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.

12. DIVIDENDS

No dividend has been paid, declared or proposed during the year, nor has any dividend been proposed since the end of reporting period (2019: Nil).

13. OTHER RECEIVABLES

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Prepayments	914	1,446
Deposits and other debtors	1,741	1,426
Amounts due from parties to a joint venture (<i>Note a</i>)	38,807	38,697
Amounts due from a joint venture (<i>Note b</i>)	4,438	3,432
	<u>45,900</u>	<u>45,001</u>

Notes:

- a. The amounts due from parties to a joint venture represent the expenditure for the joint venture to be recovered from parties to a joint venture. The amounts are interest-free, repayable on demand and could be recovered from the parties to a joint venture through their participating interests and profit sharing in their joint venture.
- b. The amounts due from a joint venture are interest-free, unsecured and repayable on demand. The recoverability of the amounts has been taken into account in the recoverable amount of interests in a joint venture.

None of the other receivables is either past due or impaired. The financial assets included in the above balances are related to receivables for which there has been no recent history of default.

The maximum exposure to credit risk at the reporting date is carrying value of each class of receivables mentioned above.

14. OTHER PAYABLES

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Accrued charges	29,613	26,307
Interest payables	32,781	36,086
Other payables	509	758
	<u>62,903</u>	<u>63,151</u>

15. CONVERTIBLE BONDS

	Convertible Bonds A <i>HK\$'000</i>	Convertible Bonds B <i>HK\$'000</i>	Convertible Bonds C <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2019	100,000	50,000	—	150,000
Interest charged	10,000	5,000	—	15,000
Interest paid/payable	<u>(10,000)</u>	<u>(5,000)</u>	<u>—</u>	<u>(15,000)</u>
At 31 December 2019 and 1 January 2020	100,000	50,000	—	150,000
Issue of convertible bonds	—	—	75,000	75,000
Conversion of convertible bonds	—	—	(75,000)	(75,000)
Redemption of convertible bonds	(75,000)	—	—	(75,000)
Interest charged	6,475	5,000	—	11,475
Interest paid/payable	<u>(6,475)</u>	<u>(5,000)</u>	<u>—</u>	<u>(11,475)</u>
At 31 December 2020	<u><u>25,000</u></u>	<u><u>50,000</u></u>	<u><u>—</u></u>	<u><u>75,000</u></u>

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Carrying amount repayable:		
Overdue	<u><u>75,000</u></u>	<u><u>150,000</u></u>

The details of convertible bonds issued by the Company are as follows:

	Convertible Bonds A ("CB A")	Convertible Bonds B ("CB B")	Convertible Bonds C ("CB C")
Principal amount:	HK\$100,000,000 in HKD settlement	HK\$50,000,000 in HKD settlement	HK\$75,000,000 in HKD settlement
Interest:	10% p.a. payable quarterly	10% p.a. payable semi-annually	Nil
Issue date:	21 July 2015	28 January 2016	13 July 2020
Maturity date:	21 July 2017 (<i>Note a</i>)	28 January 2018 (<i>Note b</i>)	6 July 2021 (<i>Note c</i>)
Conversion price per share:	HK\$0.40	HK\$0.414 (<i>Note b</i>)	HK\$0.18
Particulars of guarantee:	Personal guarantee given by Mr. Lam Nam, the controlling shareholder of the Company	Personal guarantee given by Mr. Lam Nam, the controlling shareholder of the Company	Nil
Survival of conversion right:	Exercisable until fully settled	Exercisable until fully settled	Exercisable until fully settled

Notes:

- (a) On 31 May 2018, the Company, its holding Company, Silver Star Enterprises Holdings Inc. (“Silver Star”), and Mr. Lam Nam, the ultimate controlling party of the Company (“Personal Guarantor”) and the holder of CB A entered into the Deed of Undertaking; and the Company, the Personal Guarantor and the holder of CB A entered into the Supplemental Deed, together with the Deed of Undertaking, (the “Extension Arrangement”) pursuant to which the parties agreed that the maturity date of CB A to be extended from 21 July 2017 to 21 May 2019.

On 3 January 2020, the Company entered into a legally binding Memorandum of Understanding (“MOU”) with East Asia Oil Engineering Group Limited (“East Asia”) where East Asia had undertaken to take over CB A from the original holder (“Original Holder”). On the same date, the Original Holder of CB A had completed transfer of convertible bond with principal amount of HK\$75,000,000 (“\$75M CB A1”) to East Asia. By the same MOU between the Company and East Asia, East Asia had committed that it would not demand for repayment of CB A by the Company within thirty months from the date of the MOU. On 13 July 2020, the Company used the proceeds from the subscription of HK\$75,000,000 of CB C to redeem \$75M CB A1 registered in the name of East Asia. Such \$75M CB A1 was thereafter cancelled.

The remaining principal balance of HK\$25,000,000 of CB A not yet transferred to East Asia (“\$25M CB A2”) are still registered in the name of the Original Holder and is guaranteed by Mr. Lam Nam, the ultimate controlling party of the Company, until its disposal. In view of the above arrangement, the Directors anticipate that the \$25M CB A2 will not be called for repayment in the foreseeable future.

- (b) On 15 October 2018, the Company and holder of CB B entered into an amendment deed pursuant to which both parties agreed that the maturity date of CB B to be extended from 28 January 2018 to 31 March 2019. Up to the date of this report, the Company and the holder of CB B are in the process of negotiation regarding the settlement arrangement of CB B.

Subsequent to the reporting period, the conversion price of CB B has been adjusted from HK\$0.414 per share to HK\$0.18 per share with effect from 20 January 2021, details of which please refer to the announcement of the Company dated 20 January 2021.

- (c) On 28 June 2020, the Company and East Asia entered into a subscription agreement pursuant to which the Company agreed to issue and the subscriber agreed to subscribe for, by tranches, the convertible bonds with the principal amount of HK\$100,000,000 (“CB C”). The convertible bonds shall accrue no interest and shall mature on 6 July 2021. East Asia shall have the right at any time during the conversion period to convert the whole or part of the principal amount outstanding under the convertible bonds at the conversion price into conversion shares. On 13 July 2020, all the conditions in respect of the issuance and subscription of convertible bonds in an aggregate principal amount of HK\$75,000,000 had been fulfilled. Upon closing, the Company issued the convertible bonds in aggregate principal amount of HK\$75,000,000 to East Asia (“CB C1”). On 14 July 2020, East Asia converted CB C1 at the conversion price of HK\$0.18 per share, and had been allotted and issued 416,666,667 conversion shares.

CB C in aggregate principal amount of HK\$25,000,000 has not been issued by the Company to East Asia as subsequent closing (which is subject to the completion of transfer of \$25M CB A2 from the holder of CB A to East Asia) has not taken place up to the date of this report. The unsubscribed CB C in the principal amount of HK\$25,000,000 under the subscription agreement, once allotted, can be converted at the conversion price of HK\$0.18 per share to 138,888,889 conversion shares.

FINANCIAL REVIEW

The Group did not generate any turnover for the year ended 31 December 2020 (2019: Nil). The Group recorded a net loss attributable to owners of the Company of approximately HK\$5,133,000 for the year ended 31 December 2020 (2019: approximately HK\$88,611,000).

Loss for the year included a share of results of a joint venture of approximately HK\$167,000 income on the oil and gas project in South Cebu, the Philippines (2019: approximately HK\$84,841,000 loss primarily as a result of changes in oil prices).

Administrative and other operating expenses for the year ended 31 December 2020 amounted to approximately HK\$13,394,000 representing a decrease of approximately HK\$4,665,000 or 26%, as compared with the corresponding period last year. The decrease was mainly attributable to decrease in various business expenses such as employee costs, travel and entertainment expenses.

Finance costs for the year ended 31 December 2020 amounted to approximately HK\$16,535,000 (2019: approximately HK\$18,407,000). The decrease in interest costs was mainly resulted from conversion of convertible bonds.

LIQUIDITY, FINANCIAL RESOURCES, CAPITAL AND GEARING

As at 31 December 2020, the Group had net assets amounted to approximately HK\$90 million (2019: approximately HK\$22 million) and net current liabilities amounted to approximately HK\$106.3 million (2019: approximately HK\$181.6 million). The current ratio was 30% (2019: 20%). The gearing ratio of the Group based on the net debt to the total equity was 250% (2019: 1,335%).

Operations of the Group are mainly conducted in Renminbi (“RMB”), Hong Kong Dollars (“HKD”), United States Dollars (“USD”) and Philippine Pesos (“PHP”) and its revenue, expenses, assets and liabilities and borrowings are principally denominated in RMB, HKD, USD and PHP, which do not pose significant foreign currency risk at present. The Group currently does not have a foreign currency hedging policy. However, the management monitors closely foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

On 31 May 2018, the Company, its holding company Silver Star Enterprises Holdings Inc. (“Silver Star”), and Mr. Lam Nam, the ultimate controlling party of the Company (“Personal Guarantor”) and the holder (“Original Holder”) of the convertible bonds with outstanding principal amount of HK\$100,000,000 issued by the Company on 21 July 2015 (“CB A”) entered into the Deed of Undertaking; and the Company, the Personal Guarantor and the Original Holder of CB A entered into the Supplemental Deed (together with the Deed of Undertaking, the “Extension Arrangement”), pursuant to which the parties agreed that the maturity date of CB A to be extended from 21 July 2017 to 21 May 2019.

On 3 January 2020, the Company had entered into a legally binding memorandum of understanding (“MOU”) with East Asia Oil Engineering Group Limited (“East Asia”) where East Asia had undertaken to take over CB A, by tranches, from the Original Holder. On the same date, the Original Holder of CB A had completed transfer of convertible bond with principal amount of HK\$75,000,000 (“\$75M CB A1”) to East Asia. Pursuant to the same MOU between the Company and East Asia, East Asia promised not to require the Company to repay CB A within 30 months from the date of signing MOU.

The remaining principal balance of HK\$25,000,000 of CB A not yet transferred to East Asia (“\$25M CB A2”) are still registered in the name of the Original Holder and is guaranteed by Mr. Lam Nam, the ultimate controlling party of the Company, until its disposal. Up to the date of this report, the \$25M CB A2 is still outstanding and had not been called for repayment. The Company and the Original Holder are in the process of negotiation regarding the settlement arrangement of \$25M CB A2.

On 15 October 2018, the Company and holder of the convertible bonds in principal amount of HK\$50,000,000 (“CB B”) also entered into an amendment deed pursuant to which both parties had agreed that the maturity date of CB B to be extended from 28 January 2018 to 31 March 2019.

On 28 June 2020, the Company and East Asia entered into a subscription agreement pursuant to which the Company agreed to issue and the subscriber agreed to subscribe for, by tranches, the convertible bonds with the principal amount of HK\$100,000,000. The convertible bonds shall accrue no interest and shall mature on 6 July 2021. East Asia shall have the right at any time during the conversion period to convert the whole or part of the principal amount outstanding under the convertible bonds at the conversion price into conversion shares. Upon full conversion of the convertible bonds at the initial conversion price of HK\$0.18 per conversion share, an aggregate of 555,555,556 conversion shares will be allotted and issued. The Company intends to allocate the gross proceeds from the subscription of HK\$100,000,000 for the redemption of CB A. As the convertible bonds consideration and the redemption amount shall be set-off against each other, the Group will use its internal resources to settle the related expenses payable in connection with the issuance of the convertible bonds.

On 13 July 2020, all the conditions in respect of the issuance and subscription of convertible bonds in an aggregate principal amount of HK\$75,000,000 had been fulfilled. Upon closing, the Company has issued the convertible bonds in aggregate principal amount of HK\$75,000,000 to East Asia. In addition, the Company has used the proceeds from the subscription of HK\$75,000,000 to redeem \$75M CB A1 registered in the name of East Asia. Such \$75M CB A1 was thereafter cancelled.

On 14 July 2020, East Asia converted the convertible bonds in the amount of HK\$75,000,000 registered in its name at the conversion price of HK\$0.18 per share, and had been allotted and issued 416,666,667 conversion shares, representing (i) approximately 14.18% of the existing issued share capital of the Company before conversion; and (ii) approximately 12.42% of the issued share capital of the Company as enlarged by the allotment and issue of the conversion shares.

The unsubscribed convertible bonds in the principal amount of HK\$25,000,000 under the subscription agreement, once allotted, can be converted at the conversion price of HK\$0.18 per share to 138,888,889 conversion shares.

Details were disclosed in the announcements of the Company dated 31 May 2018, 15 October 2018, 5 January 2020, 28 June 2020, 6 July 2020 and 13 July 2020.

On 27 November 2020, the Company as the issuer entered into two respective subscription agreements with Mr. Lam Nam, the controlling shareholder of the Company and East Asia, a substantial Shareholder. Pursuant to the subscription agreements, the Company conditionally agreed to allot and issue, and Mr. Lam and East Asia conditionally agreed to subscribe for, 222,222,223 and 260,555,556 subscription shares, respectively, at the subscription price of HK\$0.18 per subscription share. The subscription amount payable by Mr. Lam of HK\$40,000,000 under the subscription agreement shall be satisfied by capitalising part of the amount due to Mr. Lam upon completion. The subscription amount payable by East Asia of HK\$46,900,000 under the subscription agreement shall be satisfied by capitalising part of the outstanding trade payables (arising from the said drilling services under the SC49 project) due to East Asia upon completion. The subscriptions had been completed on 15 January 2021, please refer to the paragraph headed “Business Review and Prospects - Subsequent Event” below.

EMPLOYEE INFORMATION

As at 31 December 2020, the Group had a total number of staff of 40 (2019: 46). Remuneration packages are reviewed on a periodical basis. Bonus is awarded to employees according to the assessment of individual performance. Staff cost (including directors' emoluments) was approximately HK\$9.1 million for the year ended 31 December 2020 (2019: approximately HK\$12.3 million).

BUSINESS REVIEW AND PROSPECTS

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 foreigner nationals from entering the country since March 2020. Manila and Cebu were shut down, 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. 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 Havohej Trading Inc. in 2020 for the supply of oil. It is expected that CIMP will sign a long-term contract with another oil buyer in 2021.

In order to meet the market demands, CIMP plans to drill more production wells and expand the oil production in 2021, upon the ease of COVID-19 pandemic and the Philippine government's lifting of the foreigner-entry restrictions. Meanwhile, CIMP's Cebu team is strenuously performing paraffin-removing work for well facilities. In addition, CIMP is drafting an engineering plan to work over the production wells with a view to enhancing production yield. Upon finalization of drafting work, the plan will be presented to Department of Energy (“DOE”) for approval.

On 26 May 2020, DOE approved CIMP's application for expanding retention area (the “Retention Area”) under SC49. The Retention Area covers around 32,712 hectares, being 12.3% of the original contract area. In the coming five years, CIMP expects to invest US\$ 3.1 million on the geological, seismic and drilling work in the Retention Area.

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 commence. The operation company, Great Wall Mining and Power Corporation, has filed a moratorium for temporary suspension of operation.

Philippines Central Luzon Gas Project

Central Luzon Gas Project's original 2012 work program was for re-entering Victoria-3 and drilling a new well. However, the work program was delayed due to rig availability. Instead, the project management conducted a further support study for new drilling plan. As a result of the above-described delay, the project was granted by the DOE to extend the expiry of the current exploration sub-phase to 9 November 2019. On 31 December 2019, a wholly-owned subsidiary of the Company entered into a legally binding memorandum of understanding ("MOU") with an independent third party pursuant to which the subsidiary of the Company has agreed to dispose the entire interest in Modern Lucky International Limited and its subsidiaries which held 89% equity interest in the Central Luzon Gas Project ("Disposal Transaction") at the consideration of HK\$1. As the relevant applicable percentage ratios (as defined under Rule 19.07 of the GEM Listing Rules) as calculated were all less than 5%, the Disposal Transaction did not constitute a notifiable transaction under Chapter 19 of the GEM Listing Rules. The Disposal Transaction had been completed on 19 June 2020.

Prospect and Outlook

Given the uncertainties in the oil and gas industry and the macroeconomic environment, the Group remains cautious about the economic outlook. However, 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, we 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.

Summary of Expenditure Incurred for Projects

A summary of expenditure incurred for the above projects by the Group for the year ended 31 December 2020 is as follows:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Philippines South Cebu Oil and Gas Project	—	7,591

Significant Investments, Acquisitions and Disposals

Save as disclosed in the paragraph headed "Business Review and Prospects – Philippines Central Luzon Gas Project" above, there were no significant investments held, acquisitions or disposals of subsidiaries and affiliated companies by our Group throughout the year ended 31 December 2020. The Group did not have other plans for significant investments, acquisitions and disposal of subsidiaries as at 31 December 2020.

Charges on Assets

As at 31 December 2020, the Group did not charge any of its assets (31 December 2019: nil) as securities for any facilities granted to the Group.

Contingent Liabilities

The Group did not have any other material contingent liabilities as at 31 December 2020.

Subsequent Events

On 15 January 2021, the Company completed a connected transaction in respect of loan capitalisation involving the issue of shares of the Company to two subscribers under specific mandate. A total of 222,222,223 shares of the Company and 260,555,556 shares of the Company, at the subscription price of HK\$0.18 per subscription share, were allotted and issued by the Company to Mr. Lam Nam and East Asia, respectively. Please refer to the announcements of the Company dated 27 November 2020, 30 November 2020 and 15 January 2021 and the circular of the Company dated 21 December 2020 for details.

As a result of the above issue of shares of the Company at the subscription price of HK\$0.18 per subscription share, the Company adjusted the conversion price of CB B from HK\$0.414 per share to HK\$0.18 per share in accordance with the terms and conditions of CB B, with effect from 20 January 2021, details of which please refer to the announcement of the Company dated 20 January 2021.

In March 2021, a wholly-owned subsidiary of the Company entered into an agreement with a joint investor (which is an independent third party) pursuant to which the subsidiary of the Company agreed to acquire from the joint investor the 30% equity interest in Sinotech Polyard Petroleum Exploration & Development Research Institute Limited (being a non wholly-owned indirect subsidiary of the Company prior to the acquisition) which held 25% equity interest in Sinotech Polyard (Beijing) Resource Science and Technology Limited (being a non wholly-owned indirect subsidiary of the Company prior to the acquisition) (“Acquisition Transaction”) at the consideration of HK\$1. As the relevant applicable percentage ratios (as defined under Rule 19.07 of the GEM Listing Rules) calculated were all less than 5%, the Acquisition Transaction did not constitute a notifiable transaction under Chapter 19 of the GEM Listing Rules. The Acquisition Transaction was completed on 30 March 2021. Prior to the Acquisition Transaction, the Company indirectly held 70% equity interest in Sinotech Polyard Petroleum Exploration & Development Research Institute Limited and 92.5% effective equity interest in Sinotech Polyard (Beijing) Resource Science and Technology Limited. Subsequent to the Acquisition Transaction, the Company indirectly owns 100% equity interest in the above two subsidiaries.

RISK FACTORS

The Group’s business and financial performance may be affected by risks and uncertainties as set out below. Such risks are by no means exhaustive and there may be other risks which are not known to the Group.

1. Price Fluctuation of Crude Oil Risk

The Group is engaged in the exploration and development of oil and natural gas and trading of petroleum-related products. The prices of crude oil, natural gas and refined products in the international market are affected by various factors such as changes in demand and supply of oil and gas and the general state of the global economy, which could adversely affect the valuation of the projects and financial results of the Group.

2. Overseas Investment Risk

As the Group’s principal investment projects are all located in the Philippines, it is subject to the influences of the stability of the local political environment, taxation policies and other legal and regulatory requirements. The Group will continue to mitigate the concentration investment risk by exploring other investment opportunities in other countries.

3. Operational Risk

Oil and gas exploration and development involve hazard risks such as accidents, personal injuries or death, property and environment damages, natural disasters such as typhoon and tsunami etc., which may cause stoppage and losses to the operations. The Group has implemented a HSE (Health, Safety and Environment) management system which requires strict compliance by the employees, contractors, sub-contractors, suppliers and third party personnel working on the Group's project sites or facilities.

4. Financial and Capital Risk

The Group also faces financial risks including foreign currency risk, interest rate risk, credit risk and liquidity risk as well as capital risk, details of which are set out in note 32 to the consolidated financial statements.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group's operations are subject to the environmental laws and regulations in relation to the oil and gas exploration and development in the Philippines. An independent environmental consultant is engaged by the Group to conduct environmental impact assessments at all of the projects, which are submitted to the Department of Environment and Natural Resources (DENR) for approval. After satisfying the requirements in the application, and with the recommendation of the Environmental Management Bureau (EMB), the DENR will grant the Environmental Compliance Certificate (ECC) to the project. With the issue of the ECC, the Group will need to implement measures to protect and mitigate the project's adverse impacts on community health, welfare and the environment throughout all phases of the project. The Group is required to secure all necessary permits in areas such as hazardous waste materials and wastewater management and control, transportation of oil, drainage systems and road networks etc. The environmental consultant and Company team will ensure the compliance of the project with the requirements of the ECC conditions. The Group has also put in place a strict HSE management system in the protection of health, safety and environment. The Group is in compliance in all material aspects with the applicable environmental laws and regulations in the Philippines.

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. Upon the Company's specific enquiry, all Directors confirmed that they have fully complied with the code of conduct and the required standard of dealings regarding securities transactions throughout the year ended 31 December 2020.

COMPETING INTERESTS

None of the Directors or the management shareholders of the Company (as defined in the GEM Listing Rules) had any interest in a business which competes or may compete with the business of the Group.

CODE ON CORPORATE GOVERNANCE PRACTICES

Throughout the year, 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.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the year ended 31 December 2020, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

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 three independent non-executive Directors, namely Mr. Pai Hsi-ping, Ms. Xie Qun and Mr. Kwan King Chi George. Mr. Kwan King Chi George is the Chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited annual results of the Group for the year ended 31 December 2020 and discussed with the management of the Company the accounting principles and practices adopted by the Group as well as internal controls and other financial reporting matters. The Audit Committee is of the opinion that the unaudited annual results contained herein have been prepared in compliance with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

REVIEW OF UNAUDITED ANNUAL RESULTS

The audit procedures for the 2020 Audited Annual Results have not been completed mainly due to restrictions in force in the Philippines by relevant Philippine authorities in the attempt to contain the COVID-19 outbreak. The unaudited annual results contained herein have not been agreed with the Group's auditors as required under the GEM Listing Rules. An announcement relating to the audited results will be made when the audit procedures has been completed in accordance with Hong Kong Standards on Auditing issued by Hong Kong Institute of Certified Public Accountants.

The unaudited annual results contained herein have been reviewed by the Audit Committee.

FURTHER ANNOUNCEMENT(S)

Following the completion of the audit procedures, the Company will issue further announcement(s) in relation to the 2020 Audited Annual Results as agreed by the Company's auditors and the material differences (if any) as compared with the unaudited annual results contained herein. In addition, the Company will issue further announcement as and when necessary if there are other material development in the completion of the audit procedures. The Company expects the audit procedures will be completed on or before 14 May 2021, and the publication of the 2020 Audited Annual Results and the publication and despatch of the 2020 Annual Report will be delayed to a date falling on or before 14 May 2021.

PUBLICATION OF ANNUAL REPORT

This unaudited annual results announcement is published on the GEM website (www.hkgem.com) and the Company's website (www.ppig.com.hk). The 2020 Annual Report will be dispatched to the Shareholders of the Company after the completion of the audit procedures and will be available on the websites of GEM and the Company in due course.

Shareholders and potential investors are reminded that the information contained in this announcement is only based on the review by the Audit Committee and the preliminary assessment by the Board on the unaudited annual results of the Group for the year ended 31 December 2020, which has not been reviewed or audited by the Company's auditors. The relevant financial information is pending for further review by the Company, its auditors, the Audit Committee and independent professional valuers, and will be subject to changes, reclassification and adjustments resulting from, among others, further review by the Company and any adjustments that might be proposed by the Company's auditors. The Board cannot guarantee the unaudited annual results have truly reflected the financial performance and condition of the Company and the unaudited annual results might be misleading if the potential adjustments have not been taken into account.

Shareholders and potential investors are also cautioned not to unduly rely on the unaudited financial information disclosed above, and should exercise caution when dealing in the shares or other securities of the Company.

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

Hong Kong, 31 March 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 independent non-executive directors of the Company are Mr. Pai Hsi-ping, Ms. Xie Qun and Mr. Kwan King Chi George.

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 is not misleading or deceptive, 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.