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**SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO
AUDITED ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

Reference is made to the announcement of Polyard Petroleum International Group Limited (the “Company”) dated 25 May 2021 (the “**Audited Annual Results Announcement for the Year Ended 31 December 2020**”) in relation to, among others, the material differences between unaudited annual results and audited annual results for the year ended 31 December 2020.

The board of directors of the Company wishes to advise the shareholders of the Company and potential investors to pay attention to the material differences of Consolidated Statement of Profit or Loss and Consolidated Statement of Financial Position between the announcement of the Company dated 31 March 2021 in relation to the unaudited annual results of the Company for the year ended 31 December 2020 and the Audited Annual Results Announcement for the Year Ended 31 December 2020. The principal details and reasons are set out below:

RECONCILED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2020

	Audited <i>HK\$'000</i>	Unaudited <i>HK\$'000</i>	Difference <i>HK\$'000</i>	<i>Note</i>
Turnover	—	—	—	
Other income	470	330	140	1
Administrative and other operating expenses	(15,535)	(13,394)	(2,141)	2
Finance costs	(28,482)	(16,535)	(11,947)	3
Impairment losses recognised on deferred exploration expenditure	(34)	134	(168)	4
Share of results of a joint venture	20,817	167	20,650	5
Gain on disposal of subsidiaries	4,129	3,882	247	6
Waiver of interest expense	-	19,763	(19,763)	7
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Loss before tax	(18,635)	(5,653)	(12,982)	
Taxation	—	—	—	
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Loss for the year	(18,635)	(5,653)	(12,982)	
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RECONCILED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2020

	Audited HK\$'000	Unaudited HK\$'000	Difference HK\$'000	Note
NON-CURRENT ASSETS	290,016	269,352	20,664	5
CURRENT ASSETS	<u>44,035</u>	<u>45,976</u>	<u>(1,941)</u>	2
Total assets	<u>334,051</u>	<u>315,328</u>	<u>18,723</u>	
CURRENT LIABILITIES				
Other payables	(71,053)	(62,903)	(8,150)	3
Amounts due to directors	(12,382)	(12,382)	—	
Convertible bonds	(75,000)	(75,000)	—	
Promissory note payable	(2,000)	(2,000)	—	
	<u>(160,435)</u>	<u>(152,285)</u>	<u>(8,150)</u>	
NON-CURRENT LIABILITIES				
Amounts due to a shareholder	<u>(73,078)</u>	<u>(73,078)</u>	<u>—</u>	
	<u>(73,078)</u>	<u>(73,078)</u>	<u>—</u>	
Total liabilities	<u>(233,513)</u>	<u>(225,363)</u>	<u>(8,150)</u>	
NET CURRENT LIABILITIES	(116,400)	(106,309)	(10,091)	
TOTAL ASSETS LESS				
CURRENT LIABILITIES	173,616	163,043	10,573	
NET ASSETS	100,538	89,965	10,573	

Notes:

1. The difference mainly included the reallocation adjustment in the amount of HK\$210,000 from “Administrative and other operating expenses” to “Other income”.
2. The difference mainly included an adjustment for provision of allowance of credit losses on other receivables of HK\$1,951,000 provided for the current year.
3. The difference represented the recognition of interest expenses and late charges on outstanding convertible bonds. Interest payable of HK\$3,797,000 presented under the other payable had been waived by a substantial shareholder and recognised as capital reserve under the equity.
4. The difference mainly represented an impairment loss made on deferred exploration expenditure.
5. The difference mainly represented a reversal of impairment loss on interest in a joint venture based on valuations provided by the professional valuer.
6. The difference mainly represented an exchange difference adjustment on gain on disposal of subsidiaries.
7. The difference was due to the waiver of interest expense from substantial shareholder that was recognised as capital reserve under equity.

The differences listed above arose from adjustments initiated by the auditor (the “**Auditor**”) of the Company, which became aware of the proposed adjustments when the Auditor performed the final stage of audit works within about three weeks prior to publication of the Audited Annual Results Announcement for the Year Ended 31 December 2020.

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

Hong Kong, 3 June 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 director of the Company is Ms. Xie Qun; the independent non-executive directors of the Company are Mr. Pai Hsi-Ping, 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 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.