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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8011)

SUBSCRIPTION OF NEW SHARES

THE SUBSCRIPTION

On 19 August 2022 (after trading hours), the Company (as the issuer) entered into the Subscription Agreement with the Subscriber. Pursuant to the Subscription Agreement, the Subscriber, an Independent Third Party, has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue a total of 120,000,000 new Shares at the Subscription Price of HK\$0.18 per Subscription Share.

Assuming that there is no change in the issued share capital of the Company between the date of this announcement and the completion of the Subscription Agreement, the total of 120,000,000 Subscription Shares represent (i) approximately 3.13% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 3.03% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The Subscription Price represents (i) a discount of approximately 7.69% to the closing price of HK\$0.195 per Share as quoted on the Stock Exchange as at the date of this announcement; (ii) a discount of approximately 11.85% to the average of the closing prices per Share of HK\$0.2042 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Subscription Agreement; and (iii) a discount of approximately 11.94% to the average of the closing prices per Share of HK\$0.2044 as quoted on the Stock Exchange for the last ten consecutive trading days immediately preceding the date of the Subscription Agreement.

On the assumption that the Subscription Shares are successfully subscribed, the gross proceeds from the Subscription will be approximately HK\$21,600,000 and the net proceeds of the subscription will amount to approximately HK\$21,550,000. The Subscription Shares will be allotted and issued under the General Mandate.

Shareholders and potential investors should note that completion of the Subscription is subject to fulfillment of the conditions under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

THE SUBSCRIPTION AGREEMENT

The principal terms of the Subscription Agreement are as follows:

Date

19 August 2022

Parties

the Company (as issuer)

Ms. Lei I Si (as subscriber)

Information on the Subscriber

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Subscriber is an Independent Third Party as at the date of the Subscription Agreement.

Subscription Shares

Assuming that there is no change in the issued share capital of the Company between the date of this announcement and the completion of the Subscription Agreement, the total of 120,000,000 Subscription Shares represent (i) approximately 3.13% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 3.03% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

Subscription Price

The Subscription Price of HK\$0.18 per Subscription Share represents:

- (i) a discount of approximately 7.69% to the closing price of HK\$0.195 per Share as quoted on the Stock Exchange as at the date of the Subscription Agreement;
- (ii) a discount of approximately 11.85% to the average closing prices per Share of HK\$0.2042 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Subscription Agreement; and
- (iii) a discount of approximately 11.94% to the average of the closing prices per Share of HK\$0.2044 as quoted on the Stock Exchange for the last ten consecutive trading days immediately preceding the date of the Subscription Agreement.

The Subscription Price was determined on arm's length basis between the Company and the Subscriber and based on current market conditions and the prevailing market price of the Shares. The Directors (including the independent non-executive Directors) consider that the Subscription Price and the terms of the Subscription Agreement are fair and reasonable and are in the best interests of the Company and the Shareholders as a whole.

The net Subscription Price, after deduction of relevant expenses, is approximately HK\$0.1796 per Subscription Share.

Conditions

The completion of the Subscription Agreement is conditional upon:

- (i) the GEM Listing Committee of the Stock Exchange having granted approval for the listing of, and permission to deal in, the Subscription Shares; and
- (ii) the Subscriber being satisfied in its absolute discretion, from the date of the Subscription Agreement and at any time before completion of the Subscription Agreement, that the warranties stated in the Subscription Agreement having remained true and accurate in all material respects, not misleading or in breach in any material respect and that no events have suggested that there were any breach in any material respect of any of the above warranties or other provisions of the Subscription Agreement by the Company.

If the foregoing conditions are not fulfilled on or before the Long Stop Date (or such later date as may be agreed between the Company and the Subscriber), the Subscription Agreement shall terminate and none of the parties to the Subscription Agreement shall have any claim against the other for any costs or losses (save for any prior breaches of the Subscription Agreement).

Completion

Completion of the Subscription will take place not later than the third Business Day after the date on which the conditions under the Subscription Agreement are fulfilled or such other date as the Company and the Subscriber may agree.

MANDATE TO ISSUE THE SUBSCRIPTION SHARES

The aggregate Subscription Shares of 120,000,000 Shares will be issued under the General Mandate. Based on the total issued share capital of the Company of 3,836,982,257 Shares as at the date of the last AGM, the Company was authorized to issue up to 767,396,451 Shares under the General Mandate. As at the date of this announcement, the General Mandate has not been utilized prior to the entering into of the Subscription Agreement.

RANKING OF THE SUBSCRIPTION SHARES

The Subscription Shares, when allotted and issued, will rank equally in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Subscription Shares.

APPLICATION FOR LISTING

Application will be made by the Company to the GEM Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Subscription Shares.

REASONS FOR THE SHARE SUBSCRIPTION AND THE USE OF PROCEEDS

The Group is principally engaged in the exploration, exploitation and production of oil and natural gas and provision of technical services.

Upon full subscription of the Subscription Shares, the gross proceeds raised from the Subscription will be approximately HK\$21,600,000. After taking into account the estimated expenses in relation to the Subscription, the estimated net proceeds from the Subscription will be approximately HK\$21,550,000. The net proceeds from the Subscription are intended to be used for working capital of the Group.

The Directors consider that the Subscription represent a good opportunity to raise additional funds to meet the Company's funding needs and strengthen the shareholding base of the Company. Accordingly, the Directors consider that the terms of the Subscription Agreement are on normal commercial terms, fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any other equity fund raising activities in the past twelve months immediately preceding the date of this announcement.

EFFECT ON SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company and the change in the shareholding structure of the Company upon completion of the Subscription are as follows:

Shareholders	At the date of this announcement and immediately before completion of the Subscription		Immediately after the completion of the Subscription	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Mr. Lam and his associates	2,133,118,154	55.60	2,133,118,154	53.91
Mr. He and his associates	492,800,000	12.84	492,800,000	12.45
The Subscriber	-	-	120,000,000	3.03
Other Public Shareholders	1,211,064,103	31.56	1,211,064,103	30.61
Total	<u>3,836,982,257</u>	<u>100.00</u>	<u>3,956,982,257</u>	<u>100.00</u>

DEFINITIONS

“associates”	has the meaning given to that term in the GEM Listing Rules
“AGM”	the annual general meeting of the Company dated 29 July 2022 held to seek the Shareholders’ approval for, among other things, the granting of the general mandate to the Directors, of which the Company would be allowed under the general mandate to allot, issue and deal with a maximum of 767,396,451 Shares
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, a Sunday or a public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	Polyard Petroleum International Group Limited, a company incorporated under the laws of the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange (stock code: 8011)

“Completion”	the completion of the Subscription in accordance with the terms and conditions of the Subscription Agreement
“connected person(s)”	has the meaning given to that term in the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM Listing Committee”	the listing sub-committee appointed by GEM for considering applications for listing and the granting of listing
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“General Mandate”	the general mandate granted to the Directors by shareholder at the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	a party which is not connected persons (as defined under the GEM Listing Rules) of the Company and is independent of the Company and its connected persons
“Long Stop Date”	31 October 2022 or such later date as may be agreed in writing between the parties to the Subscription Agreement
“Mr. He”	Mr. He Rongguo, the substantial Shareholder of the Company
“Mr. Lam”	Mr. Lam Nam, the controlling Shareholder of the Company
“Share(s)”	ordinary share(s) of HK\$0.04 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Ms. Lei I Si, merchant.
“Subscription”	the subscription of the Subscription Shares by the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 19 August 2022 and entered into between the Company and the Subscriber in respect of the subscription of 120,000,000 Subscription Shares.

“Subscription Price”	the subscription price of HK\$0.18 per Subscription Share for the Subscription
“Subscription Share(s)”	the 120,000,000 new Shares to be allotted and issued to Subscriber A pursuant to the terms and conditions of the Subscription Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

For and on behalf of the Board
Polyard Petroleum International Group Limited
Lai Chun Liang
Chairman

Hong Kong, 19 August 2022

As at the date of this announcement, the executive directors of the Company are Mr. Lai Chun Liang, Mr. Lin Zhang and Mr. Qian Jie; 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. Kwan King Chi George, Mr. Cheng Chak Ho and Mr. Chan Shiu Chung.

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 Stock Exchange’s website at www.hkexnews.hk 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.