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**THIRD QUARTERLY RESULTS ANNOUNCEMENT  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022**

**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.**

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*This announcement, for which the directors (the “Directors”) of Polyard Petroleum International Group Limited (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.*

### THIRD QUARTERLY RESULTS

The board of Directors (the “Board”) of the Company would like to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the nine months ended 30 September 2022, together with the comparative unaudited figures for the corresponding period in 2021, as under:

#### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*For the three months and nine months ended 30 September 2022*

	<i>Notes</i>	Unaudited Three months ended 30 September		Unaudited Nine months ended 30 September	
		2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Turnover		—	—	—	—
Other Income		—	97	1	217
Administrative and other operating expenses		(1,424)	(2,016)	(4,584)	(11,893)
Finance costs	4	(1,961)	(6,586)	(5,830)	(18,092)
Impairment losses recognized on deferred exploration expenditure		—	—	—	—
Share of results of a joint venture		80	38	118	38
<b>Loss before tax</b>	5	<b>(3,305)</b>	<b>(8,467)</b>	<b>(10,295)</b>	<b>(29,730)</b>
Income tax	6	—	—	—	—
<b>LOSS FOR THE PERIOD</b>		<b>(3,305)</b>	<b>(8,467)</b>	<b>(10,295)</b>	<b>(29,730)</b>

		<b>Unaudited Three months ended 30 September</b>		<b>Unaudited Nine months ended 30 September</b>	
	<i>Notes</i>	<b>2022 HK\$'000</b>	2021 <i>HK\$'000</i>	<b>2022 HK\$'000</b>	2021 <i>HK\$'000</i>
<b>Attributable to:</b>					
Owners of the Company		<b>(3,305)</b>	(8,482)	<b>(10,191)</b>	(29,649)
Non-controlling interests		<u>—</u>	<u>15</u>	<u>(104)</u>	<u>(81)</u>
		<b><u>(3,305)</u></b>	<b><u>(8,467)</u></b>	<b><u>(10,295)</u></b>	<b><u>(29,730)</u></b>
<b>Loss per share</b>					
— Basic ( <i>in HK cents</i> )	7	<b><u>(0.086)</u></b>	<u>(0.221)</u>	<b><u>(0.266)</u></b>	<u>(0.778)</u>
— Diluted ( <i>in HK cents</i> )		<b><u>(0.086)</u></b>	<u>(0.221)</u>	<b><u>(0.266)</u></b>	<u>(0.778)</u>
Dividend	8	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME***For the three months and nine months ended 30 September 2022*

	<b>Unaudited</b>		<b>Unaudited</b>	
	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>30 September</b>		<b>30 September</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Loss for the period</b>	<b>(3,305)</b>	<b>(8,467)</b>	<b>(10,295)</b>	<b>(29,730)</b>
Other comprehensive expense:				
Item that may be reclassified				
subsequently to profit or loss:				
Exchange differences arising on				
translation of foreign				
operations	<u>(358)</u>	<u>837</u>	<u>(230)</u>	<u>1,133</u>
<b>TOTAL COMPREHENSIVE</b>				
<b>EXPENSE FOR THE PERIOD</b>	<b><u>(3,663)</u></b>	<b><u>(7,630)</u></b>	<b><u>(10,525)</u></b>	<b><u>(28,597)</u></b>
<b>Attributable to:</b>				
Owners of the Company	<u>(3,663)</u>	<u>(7,908)</u>	<u>(10,654)</u>	<u>(28,976)</u>
Non-controlling interests	<u>—</u>	<u>278</u>	<u>129</u>	<u>379</u>
<b>TOTAL COMPREHENSIVE</b>				
<b>EXPENSE FOR THE PERIOD</b>	<b><u>(3,663)</u></b>	<b><u>(7,630)</u></b>	<b><u>(10,525)</u></b>	<b><u>(28,597)</u></b>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*For the nine months ended 30 September 2022*

	Unaudited									
	Attributable to owners of the Company									
	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Share reserve <i>HK\$'000</i>	Capital reserve <i>HK\$'000</i>	Exchange reserve <i>HK\$'000</i>	Convertible bonds reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Subtotal <i>HK\$'000</i>	Non- controlling interests <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2021 (Audited)	134,168	1,056,346	985	23,559	(2,151)	2,810	(1,139,284)	76,433	24,105	100,538
Loss for the period	—	—	—	—	—	—	(29,649)	(29,649)	(81)	(29,730)
Other comprehensive expense for the period	—	—	—	—	673	—	—	673	460	1,133
Total comprehensive expense for the period	—	—	—	—	673	—	(29,649)	(28,976)	379	(28,597)
Issue of shares	19,311	67,589	—	—	—	—	—	86,900	—	86,900
Acquisition of non-controlling interest in subsidiaries	—	—	—	—	—	—	—	—	5,578	5,578
At 30 September 2021	<u>153,479</u>	<u>1,123,935</u>	<u>985</u>	<u>23,559</u>	<u>(1,478)</u>	<u>2,810</u>	<u>(1,168,933)</u>	<u>134,357</u>	<u>30,062</u>	<u>164,419</u>
At 1 January 2022 (Audited)	153,479	1,123,935	985	17,981	(984)	2,810	(1,064,812)	233,394	88,900	322,294
Loss for the period	—	—	—	—	—	—	(10,191)	(10,191)	(104)	(10,295)
Other comprehensive expense for the period	—	—	—	—	408	—	—	408	234	642
Total comprehensive expense for the period	—	—	—	—	408	—	(10,191)	(9,783)	130	(9,653)
At 30 September 2022	<u>153,479</u>	<u>1,123,935</u>	<u>985</u>	<u>17,981</u>	<u>(576)</u>	<u>2,810</u>	<u>(1,075,003)</u>	<u>233,611</u>	<u>89,030</u>	<u>312,641</u>

## **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

### **1. GENERAL INFORMATION**

The Company was incorporated in the Cayman Islands on 6 March 2002 as an exempted company under the Companies Law of the Cayman Islands. The shares of the Company were listed on GEM on 12 July 2002.

The principal activity of the Company is investment holding. The subsidiaries of the Group are principally engaged in the exploration, exploitation and development of oil and natural gas and provision of technical services for oil and gas exploration and development.

### **2. BASIS OF PREPARATION**

The unaudited condensed consolidated results have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the applicable disclosure requirements of the GEM Listing Rules.

The unaudited condensed consolidated results have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The accounting policies adopted for preparing the condensed consolidated results are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2021.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

The unaudited condensed consolidated financial statements for the nine months ended 30 September 2022 have been prepared on the historical cost.

The accounting policies and method of computation used in preparing the unaudited consolidated financial statements for the nine months ended 30 September 2022 are consistent with those used in the audited financial statements for the year ended 31 December 2021 except for the adoption of the revised standards effective as of 1 January 2022. The condensed consolidated financial statements have not been audited by the Company's auditors, but have been reviewed by the Company's audit committee.

In the period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants, which are mandatorily effective for the period.

## **Amendments to HKFRSs that are mandatorily effective for the current period**

Amendments to HKFRS 3	Reference to the conceptual framework
Amendment to HKFRS 16	Covid-19-related rent concessions beyond 30 June 2021
Amendments to HKAS 16	Property, plant and equipment – proceeds before intended use

The application of the amendments to HKFRSs in the period had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these condensed consolidated financial statements.

## **New and amendments to HKFRSs in issue but not yet effective**

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

HKFRS 17	Insurance Contracts and the related Amendments <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>2</sup>
Amendment to HKFRS 16	COVID-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKAS 1	Classification of Liabilities as Current or Noncurrent and related amendments to Hong Kong Interpretation 5 (2020) <sup>1</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>1</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>1</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>

1 Effective for annual periods beginning on or after 1 January 2023.

2 Effective date to be determined.

The directors of the Company anticipate that the application of the above new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

#### 4. FINANCE COSTS

	Unaudited Three months ended 30 September		Unaudited Nine months ended 30 September	
	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Imputed interest on convertible bonds and overdue expense	<b>1,891</b>	6,500	<b>5,610</b>	17,843
Interest on promissory note payable	<b>60</b>	60	<b>180</b>	180
Interest on bank borrowings and overdraft	<b>10</b>	26	<b>40</b>	69
	<b><u>1,961</u></b>	<u>6,586</u>	<b><u>5,830</u></b>	<u>18,092</u>

#### 5. LOSS BEFORE TAX

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

	Unaudited Three months ended 30 September		Unaudited Nine months ended 30 September	
	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Staff costs (including directors' emoluments)				
–Salaries, allowances and benefits in kind	<b>882</b>	1,618	<b>2,772</b>	4,887
–Retirement scheme defined contributions	<b>18</b>	17	<b>110</b>	45
Depreciation of property, plant and equipment	<b>6</b>	2	<b>18</b>	7
	<b><u>6</u></b>	<u>2</u>	<b><u>18</u></b>	<u>7</u>



## 6. INCOME TAX

	Unaudited Three months ended 30 September		Unaudited Nine months ended 30 September	
	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Current tax				
–Hong Kong profits tax	—	—	—	—
–PRC enterprise income tax	—	—	—	—
–Other jurisdictions	—	—	—	—
	<hr/>	<hr/>	<hr/>	<hr/>
Income tax expense for the period	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

No Hong Kong profits tax has been provided as the Group had no assessable profits in Hong Kong for the period (2021: Nil).

Under the Law of the PRC on Enterprises Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the applicable PRC enterprises income tax rate of the Group’s PRC subsidiaries is 25% for the period. Taxation arising on other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

No deferred tax assets has been recognised in respect of such tax losses due to unpredictability stream of future taxable profits that will be available against which the tax losses can be utilized (2021: Nil).

## 7. LOSS PER SHARE

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

	<b>Unaudited Three months ended 30 September</b>		<b>Unaudited Nine months ended 30 September</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000	<b>HK\$'000</b>	HK\$'000
Loss for the period attributable to owners of the Company	<u><b>(3,305)</b></u>	<u>(8,482)</u>	<u><b>(10,191)</b></u>	<u>(29,649)</u>
	'000	'000	'000	'000
Weighted average number of ordinary shares at the end of the period	<u><b>3,836,982</b></u>	<u>3,836,982</u>	<u><b>3,836,982</b></u>	<u>3,810,456</u>

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.

## 8. DIVIDENDS

The Board does not recommend the payment of a dividend for the period (2021: Nil).

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Business and Financial Review**

The Group did not generate any turnover for the period ended 30 September 2022 (2021: Nil).

The Group recorded a net loss attributable to owners of the Company of approximately HK\$10,191,000 for the period as compared to a net loss attributable to owners of the Company of approximately HK\$29,649,000 for the corresponding period last year.

Administrative and other operating expenses for the period amounted to approximately HK\$4,584,000 representing a decrease of approximately HK\$7,309,000 or 61.5%, as compared with the corresponding period last year. The decrease was mainly attributable to decrease in various business expenses such as employee costs, rental, travel and entertainment expenses.

Finance costs for the period amounted to approximately HK\$5,830,000 (2021: approximately HK\$18,092,000). The decrease in interest costs was mainly resulted from conversion of convertible bonds in 2021.

### **Events after the Reporting Period**

#### **The Subscription**

On 19 August 2022 (after trading hours), the Company (as the issuer) entered into the subscription agreement (the “Subscription Agreement”) with Ms. Lei I Si (the “Subscriber”), who is not a connected person (as defined under the GEM Listing Rules) of the Company and is independent of the Company and its connected persons. Pursuant to the Subscription Agreement, the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue a total of 120,000,000 new shares (the “Subscription Shares”) at the subscription price of HK\$0.18 per subscription share.

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.

As additional time is required for the Subscriber to subscribe for the Subscription Shares at the Subscription Price, the Company and the Subscriber entered into a supplemental agreement (the “Supplemental Agreement”) after trading hours on 31 October 2022 after arm’s length negotiation, pursuant to which the Company and the Subscriber agreed to extend the Long Stop Date (i.e. 31 October 2022 or such later date as may be agreed in writing between the parties to the Subscription Agreement) from 31 October 2022 (or such later date as may be agreed in writing by the parties to the Subscription Agreement) to 31 December 2022 (or such later date as may be agreed in writing by the parties to the Subscription Agreement).

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.

## **BUSINESS REVIEW AND OUTLOOK**

### **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 the project to 50.4% after the latest acquisition.

During the year of 2021, due to the COVID-19 pandemic, the Philippine government had continued to impose various preventive measures, amongst others, quarantine and isolation measures across cities and provinces as well as the travel restriction banning foreign nationals from entering the country. Manila and Cebu were under General Community Quarantine as at the date of this report. The travel restriction has still been in force in 2021 and no CIMP personnel arrived to the country in the year 2021. 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.

The demand of oil from the customers under SC49 project had decreased under the impact of COVID-19 pandemic. Nonetheless, CIMP has actively been identifying for prospective oil buyers. The oil buyer, Boom Oil Inc., continued to purchase oil from CIMP in 2021. Apart from Tom’s Power Petroleum Distributor Inc. which has been purchasing oil from CIMP on an irregular basis since 2016, CIMP started irregular business relationship with some local buyers, including RMS Petroleum Technology and Waste Management Corp, SVM SIBU Petroleum Products Hauling Services and RRDS Environmental Services Inc.

The plan of drilling three new development wells in 2021 to expand production capacity was postponed until 2022. In the meantime, CIMP is actively carrying out wax removal work for oil well facilities. The Department of Energy of the Philippines (“DOE”) had approved the workover proposals for three existing production wells and the drilling proposals for three new development wells, totaling six new development wells to be drilled in 2022. The preparation for the drilling proposal of a new exploratory well is underway. The Philippine government is opening its borders in April 2022 and the drilling contractor is arranging human resources and materials to start drilling in the second half of 2022.

Besides, in 2021, CIMP proposed to construct crude oil dehydration facilities and storage tanks to settle the water cut complaints by the oil buyers and decrease logistics cost; upon the grant by DOE, started the relevant construction, which is expected to come into service in 2022. The drilling contractor plans to invest in the first phase oil refinery near the well sites of SC49 project; according to its source, it has rent the land required and entered into the whole-plant equipment manufacturing contract. It is expected that the first phase oil refinery will be completed and put into operation next year and will purchase about 200,000 barrels of crude oil from CIMP at annual basis. In March 2022, the Company entered into a cooperation agreement with China Huadian Engineering Co. Ltd (“CHEC”), pursuant to which the Company and CHEC will form cooperation to develop and operate a 48MW gas-generated power plant in phase one of the SC49 project in the Philippines, initiating the downstream industrialization for natural gas.

## **Outlook**

Given the uncertainties in the oil and gas industry and the macroeconomic environment, the Group remains cautious about the economic outlook. Crude oil prices have recovered to their pre-pandemic levels from their COVID-19 slump. 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, the Group 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.

## **OTHER INFORMATION**

### **DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS**

As at 30 September 2022, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO") which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to the securities transactions by Directors.

### **SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND/OR UNDERLYING SHARES OF THE COMPANY**

As at 30 September 2022, the interests and short positions of persons, other than Directors or chief executive of the Company, in the shares and/or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or substantial shareholders as recorded in the register of substantial shareholders required to be kept by the Company under Section 336 of the SFO were as follows:

<b>Name of person</b>	<b>Number of shares held</b> L (Note 1)	<b>Capacity</b>	<b>Approximate percentage of interest</b>
Silver Star Enterprises Holdings Inc.	1,862,415,931 (L) (Note 2)	Beneficial owner	48.53%
Lam Nam	1,862,415,931 (L) (Note 2)	Interest of a controlled corporation	48.53%
	270,702,223 (L)	Beneficial owner	7.06%
Guoxiang Holdings (Hong Kong) Limited	444,000,000 (L) (Note 3)	Beneficial owner	11.57%
He Rongguo	444,000,000 (L) (Note 3)	Interest of a controlled corporation	11.57%
East Asia Oil Engineering Group Limited	260,555,556 (L) (Note 4)	Beneficial owner	6.79%
Inwood Support Limited	260,555,556 (L) (Note 4)	Interest of a controlled corporation	6.79%
Li Suiqing and He Rongguo	260,555,556 (L) (Note 4)	Interest of a controlled corporation	6.79%
CCB International Overseas Limited	277,777,777 (L) (Note 5)	Beneficial owner	7.24%
China Construction Bank Corporation	277,777,777 (L) (Note 5)	Interest of a controlled corporation	7.24%
Central Huijin Investment Ltd.	277,777,777 (L) (Note 5)	Interest of a controlled corporation	7.24%

*Notes:*

- 1 The letter “L” denotes long positions in shares or underlying shares.
- 2 The entire issued share capital of Silver Star Enterprises Holdings Inc. is beneficially owned by Mr. Lam Nam. Mr. Lam Nam is deemed to be interested in 1,862,415,931 shares held by Silver Star Enterprises Holdings Inc..
- 3 The entire issued share capital of Guoxiang Holdings (Hong Kong) Limited is beneficially owned by Mr. He Rongguo. Mr. He Rongguo is deemed to be interested in 444,000,000 shares held by Guoxiang Holdings (Hong Kong) Limited.

- 4 The entire issued share capital of East Asia Oil Engineering Group Limited is owned by Inwood Support Limited and Inwood Support Limited is owned as to 68% by Ms. Li Suiqing and 32% by Guoxiang Holdings (Hong Kong) Limited. The entire issued share capital of Guoxiang Holdings (Hong Kong) Limited is beneficially owned by Mr. He Rongguo. Accordingly, Ms. Li Suiqing and Mr. He Rongguo are deemed to be interested in 260,555,556 shares.
- 5 These shares may be allotted and issued upon exercise of the conversion rights attaching to the convertible bonds issued by the Company to CCB International Overseas Limited, which has matured on 31 March 2019. The entire issued share capital of CCB International Overseas Limited is owned by China Construction Bank Corporation and China Construction Bank Corporation is owned as to 57.11% by Central Huijin Investment Ltd. The Company and CCB International Overseas Limited are in the process of negotiation regarding the settlement arrangement.

Save as disclosed above, as at 30 September 2022, the Directors were not aware of any other person (other than the Directors or chief executive of the Company) who had an interest or short position in the shares and/or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO.

## **DIRECTORS' RIGHTS TO ACQUIRE SHARES**

At no time during the period were rights to acquire benefits by means of acquisition of shares in or debentures of the Company or of any other body corporate granted to any Directors, their respective spouses or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangements to enable the Directors, their respective spouses or children under 18 years of age to acquire such rights in the Company or any other body corporate.

## **CODE ON CORPORATE GOVERNANCE PRACTICES**

During the period, the Company has complied with the requirements of the code provisions set out in the Code on Corporate Governance ( the "CG Code" ) Practices contained in Appendix 15 of the GEM Listing Rules, except for the following deviation.

### Code Provision C.2.1

Code provision C.2.1 of the CG Code stipulates that the roles of chairman, and chief executive should be separate and should not be performed by the same individual. With the support of the company secretary of the Company, the chairman of the Board (the "Chairman") seeks to ensure that all Directors are properly briefed on issues arising at Board meetings and received adequate and reliable information on a timely basis. Since Mr. Lai Chung Liang now serves as both the Chairman and the chief executive the Company (the "Chief Executive"), such practice deviates from code provision C.2.1 of the CG Code. The Board believes that vesting the roles of both the Chairman and the Chief Executive in the same person can facilitate the effective execution of the Group's business strategies and operation. Furthermore, there are various experienced individuals in charge of the daily business operation and the Board comprises three executive Directors, two non-executive Directors and three independent non-executive Directors, with a balance of skill and experience appropriate for the Group's further development. The Board will review such deviation from time to time to enhance the best interest of the Group as a whole.

## **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. The Company was not aware of any non-compliance with the code of conduct and the required standard of dealings regarding securities transactions throughout the period ended 30 September 2022.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

## **PRE-EMPTIVE RIGHTS**

There is no provision for pre-emptive rights under the Company's Articles of Association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro rata basis to the existing shareholders.

## **COMPETING INTERESTS**

During the period, none of the Directors or the management shareholders of the Company (as defined in the GEM Listing Rules) had an interest in a business which competes or may compete with the business of the Group.

## **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 the two independent non-executive Directors, namely Mr. Kwan King Chi George and Mr. Cheng Chak Ho and a non-executive Director, namely Ms. Xie Qun. Mr. Kwan King Chi George is the Chairman of the Audit Committee.

The condensed consolidated financial statements of the Group for the period have been reviewed by the Audit Committee, which is of the opinion that such condensed consolidated financial statements complied with the applicable accounting standards, the Stock Exchange and legal requirements, and that adequate disclosures have been made.

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

Hong Kong, 14 November 2022

*As at the date of this announcement, the Board comprises:*

***Executive Directors***

*Mr. Lai Chun Liang*

*Mr. Lin Zhang*

*Mr. Qian Jie*

***Non-Executive Directors***

*Mr. Yang Changchun*

*Ms. Xie Qun*

***Independent Non-Executive Directors***

*Mr. Kwan King Chi George*

*Mr. Cheng Chak Ho*

*Mr. Chan Shiu Chung*

*This announcement will remain on the Stock Exchange's website at [www.hkexnews.hk](http://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](http://www.ppig.com.hk).*