

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



ANNOUNCEMENT IN RELATION TO

- (1) DELAY IN PUBLICATION OF THE 2019 ANNUAL RESULTS AND DESPATCH OF THE
2019 ANNUAL REPORT; (2) BUSINESS UPDATE;
(3) DIVIDEND POLICY; AND
(4) PUBLICATION OF UNAUDITED MANAGEMENT ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

Reference is made to the announcement of Polyard Petroleum International Group Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) dated 19 March 2020. Unless the context requires otherwise, capitalised terms used herein shall bear the same meanings as defined in the announcement.

DELAY IN PUBLICATION OF THE 2019 ANNUAL RESULTS AND DESPATCH OF THE 2019 ANNUAL REPORT

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and hereby announces that:

As disclosed in the announcement of the Company dated 19 March 2020, in an increasingly challenging moment of the severe novel coronavirus (COVID-19) epidemic, the auditor of the Company could not complete all auditing targets for the consolidated financial statements of the Group for the year ended 31 December 2019. This had caused delay in the publication and despatch of announcement on the audited annual results and the annual report of the Group for the year ended 31 December 2019. It is expected that the auditing works of the auditor would be resumed as soon as practicable after the COVID-19 outbreak is mitigated if we found less travel restrictions in countries and regions.

The Company has been and will continue using its best endeavours to ensure that the audited 2019 Annual Results and the 2019 Annual report will be finalized, approved and published as soon as practicable. It is expected that the publication of the 2019 Annual Results and the publication and dispatch of the 2019 Annual Report will be delayed to a date falling on or before 30 May 2020.

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 audited 2019 Annual Results and the 2019 Annual Report as and when appropriate.

BUSINESS UPDATE

The Philippines South Cebu Oil and Gas Project (“SC49”) is situated in the southern part of Cebu, central Philippines, where hydrocarbon had been discovered in previous drillings. China International Mining Petroleum Company Limited (“CIMP”) acquired 80% participating interest of SC49 and became the operator of SC49 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.

As to the oil sale in 2019, the contracted buyers, Greater Alegria Oil Inc. (“GAO”) and Tom's Power Petroleum Distributor Inc. (“TPPDI”) lifted oil from time to time, besides, several other potential buyers have shown their interests in buying oil from CIMP and collected oil samples for further analysis.

Based on renewed production forecast from single-well flowing in 2019 and positive testing results conducted from May to July in the same year, CIMP preferred to deploy new wells adjacent to the existing production wells. CIMP completed planning of new wells by integrating reservoir study and geological analysis, and has reached agreement on land lease with the land owners.

DIVIDEND POLICY

As the Company has yet derived any profit during the year, the Board does not recommend any dividend for the year under review.

PUBLICATION OF UNAUDITED MANAGEMENT ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019

In order to keep the shareholders of the Company (the “Shareholders”) and the public informed of the Group's business operation and financial position, the Board of the Company would like to provide the Shareholders and the public with the preliminary unaudited financial information of the Group for the year ended 31 December 2019 together with the audited comparative figures for the same period in 2018.

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2019

	2019 <i>HK\$'000</i> (Unaudited)	2018 <i>HK\$'000</i> (Audited)
Turnover	—	—
Other Income	596	1,824
Administrative and other operating expenses	(18,059)	(26,262)
Finance costs	(18,407)	(16,535)
Impairment losses recognized on deferred exploration expenditure	156	(141)
Share of results of a joint venture	403	36
	<hr/>	<hr/>
Loss before income tax	(35,311)	(41,078)
Income tax credit	—	36
	<hr/>	<hr/>
Loss for the year	(35,311)	(41,042)
	<hr/> <hr/>	<hr/> <hr/>
Attributable to:		
Owners of the Company	(34,750)	(40,694)
Non-controlling interests	(561)	(348)
	<hr/>	<hr/>
	(35,311)	(41,042)
	<hr/> <hr/>	<hr/> <hr/>
Loss per share		
— Basic (in HK cents)	1.18 cents	1.39 cents
	<hr/> <hr/>	<hr/> <hr/>
— Diluted (in HK cents)	1.18 cents	1.39 cents
	<hr/> <hr/>	<hr/> <hr/>

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

For the year ended 31 December 2019

	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Audited)
Loss for the year	(35,311)	(41,042)
Other comprehensive income (expense)		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	<u>(817)</u>	<u>(647)</u>
Total comprehensive expense for the year	<u>(36,128)</u>	<u>(41,689)</u>
Attributable to:		
Owners of the Company	(35,130)	(41,531)
Non-controlling interests	<u>(998)</u>	<u>(158)</u>
	<u>(36,128)</u>	<u>(41,689)</u>

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2019

	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Audited)
NON-CURRENT ASSETS		
Property, plant and equipment	144	363
Interests in a joint venture	<u>357,074</u>	<u>361,377</u>
	<u>357,218</u>	<u>361,740</u>
CURRENT ASSETS		
Other receivables	43,856	41,516
Cash and cash equivalents	<u>296</u>	<u>243</u>
	<u>44,152</u>	<u>41,759</u>
CURRENT LIABILITIES		
Other payables	(63,151)	(36,981)
Amounts due to directors	(11,758)	(10,540)
Convertible bonds	(150,000)	(150,000)
Obligations under finance leases — current portion	<u>—</u>	<u>(58)</u>
	<u>(224,909)</u>	<u>(197,579)</u>
NET CURRENT LIABILITIES	<u>(180,757)</u>	<u>(155,820)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>176,461</u>	<u>205,920</u>

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)*At 31 December 2019*

	2019 <i>HK\$'000</i> <i>(Unaudited)</i>	2018 <i>HK\$'000</i> <i>(Audited)</i>
NON-CURRENT LIABILITIES		
Amounts due to a shareholder	(67,209)	(62,540)
Promissory note	<u>(2,000)</u>	<u>—</u>
	<u>(69,209)</u>	<u>(62,540)</u>
NET ASSETS	107,252	143,380
	<u><u>107,252</u></u>	<u><u>143,380</u></u>
CAPITAL AND RESERVES		
Share capital	117,502	117,502
Reserves	<u>(59,749)</u>	<u>(24,619)</u>
Equity attributable to owners of the Company	57,753	92,883
Non-controlling interest	<u>49,499</u>	<u>50,497</u>
TOTAL EQUITY	107,252	143,380
	<u><u>107,252</u></u>	<u><u>143,380</u></u>

Shareholders and potential investors are reminded that the information contained in this announcement is only based on the preliminary assessment by the Board on the unaudited management accounts of the Group for the year ended 31 December 2019, and is not based on any data or information that has been audited or reviewed by the Auditors and the audit committee of the Board (the “Audit Committee”) and the information contained in this announcement has not been reviewed or audited by the 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 Auditors. The Board cannot guarantee the unaudited management accounts have truly reflected the financial performance and condition of the Company and the unaudited management accounts 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
Lai Chun Liang
Executive Director and CEO

Hong Kong, 31 March 2020

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.